# H.R. 821—PERSIAN GULF CONFLICT EDUCATION EQUITY ACT AND H.R. 1108

## HEARING

BEFORE THE

SUBCOMMITTEE ON
EDUCATION, TRAINING AND EMPLOYMENT

OF THE

## COMMITTEE ON VETERANS' AFFAIRS
## HOUSE OF REPRESENTATIVES

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# CONTENTS

**March 20, 1991**


Page

H.R. 821 and H.R. 1108 ..... 1

OPENING STATEMENTS

Chairman Penny ..... 1
Hon. Chris Smith ..... 2

WITNESSES

Atwell, Ronald H., president, National Association of Veterans Program Administrators ..... 9
Prepared statement of Mr. Atwell ..... 60
Dupree, Clifton E., associate legislative director, Paralyzed Veterans of America ..... 23
Prepared statement of Mr. Dupree ..... 75
Horton, Grady W., Director, Education Service, Department of Veterans Affairs; accompanied by Dean Gallin, Deputy Assistant General Counsel, DVA ..... 6
Prepared statement Mr. Horton ..... 54
Landres, Jonathan Shawn, delegation coordinator, Columbia College Student Council, Columbia University; accompanied by Sarah Wolman, university senator, Columbia University ..... 12
Prepared statement of Mr. Landres ..... 66
Manhan, Robert D., special assistant, national legislative service, Veterans of Foreign Wars of the United States ..... 22
Prepared statement of Mr. Manhan ..... 73
Peters, Cassius, Student, Bronx Community College, and chair, Veterans Caucus of the United States Student Association ..... 14
Prepared statement of Mr. Peters ..... 71
Richardson, Hon. Bill, a Representative in Congress from the State of New Mexico ..... 2
Prepared statement Congressman Richardson ..... 47

MATERIAL SUBMITTED FOR THE RECORD

Bills:
H.R. 821 ..... 29
H.R. 1108 ..... 34
Statement:
The American Legion ..... 79
Menzel, Frank, vice president for Federal Relations, AACJC w/attachment ..... 85
Mr. and Mrs. Madrid of Hernandez, NM ..... 52
Non Commissioned Officers Association ..... 84
Vietnam Veterans of America ..... 82
Written committee questions and their response:
Chairman Penny to Shawn Landres ..... 90
Chairman Penny to Department of Veterans Affairs ..... 95
Chairman Penny to Cassius Peters ..... 97

# H.R. 821—PERSIAN GULF CONFLICT EDUCATION EQUITY ACT AND H.R. 1108

WEDNESDAY, MARCH 20, 1991

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT,
COMMITTEE ON VETERANS' AFFAIRS,
*Washington, DC.*

The subcommittee met, pursuant to notice, at 1:05 pm., in room 334, Cannon House Office Building, Hon. Tim Penny (chairman of the subcommittee) presiding.

Present: Representatives Penny, Slattery, Patterson, Sangmeister, Geren and Smith.

## OPENING STATEMENT OF CHAIRMAN PENNY

Mr. PENNY. The subcommittee will come to order. I want to welcome all of you here this afternoon.

The subcommittee is meeting today to review provisions of H.R. 821, introduced by Congressman Bill Richardson, and H.R. 1108, introduced by the chairman of our full Committee, Sonny Montgomery. I might add that Mr. Smith and I are both cosponsors of the chairman's bill, H.R. 1108.

More than 200,000 Selected Reservists were activated in connection with the Persian Gulf war. Additionally, hundreds of thousands of Active duty servicemembers were sent to the Middle East, and the duties of many of those remaining at military bases were changed drastically. Because of these events, many members of the uniformed services were unable to begin a course of study or were forced to disenroll from school.

The measures we are reviewing today are designed to correct problems resulting from the sudden change in circumstances resulting from the Desert Shield/Desert Storm operations.

The summaries of H.R. 821 and H.R. 1108 are included in your folders and are available at the press table for others who are interested. We hope to conclude this hearing in about an hour-and-a-half. Accordingly, I ask all witnesses to limit their statements to five minutes, summarize as best you can, and your entire written remarks will be included in the record.

I would ask unanimous consent of the committee that written questions may be submitted to witnesses following the hearing and those would also be included in the record.

With that, Mr. Smith, if you have any opening remarks, and then we will move on to hear from our colleague, Mr. Richardson.

## OPENING STATEMENT OF HON. CHRIS SMITH

Mr. SMITH. Thank you very much, Mr. Chairman.

Today's hearing will focus on legislation to restore certain educational benefits for men and women who performed Active duty service during the Persian Gulf conflict. In particular, we will examine two bills, H.R. 1108—which was introduced by the chairman of the full Committee, Mr. Montgomery, Mr. Penny, myself, and Mr. Stump—as well as H.R. 821, which was introduced by Mr. Richardson.

Mr. Chairman, the success of our "total force" policy depends upon our ability to maintain an adequate Reserve and Guard capability. In the Persian Gulf conflict, over 228,000 Selected Reservists were called to Active duty, of which 105,000 were sent to the Gulf, accounting for almost 20 percent of our total forces in the theater.

In order to maintain reserve duty as an appealing choice, we must ensure that the Selected Reservists do not suffer any loss of benefits should they be called up to Active duty. The brave men and women who interrupted their education to serve in Operation Desert Shield and Operation Desert Storm should certainly be allowed to continue their education without any loss of benefits.

Under our legislation, H.R. 1108, the period of Active duty service would be excluded from the 10-year delimiting period for educational benefits. In addition, this legislation would restore the educational entitlement for a Selected Reservist called to Active duty, as well as for Active duty personnel who are relocated or otherwise unable to continue their educational pursuits, in cases where they do not receive credits for college courses or approved training.

Mr. Chairman, the success of Operation Desert Storm was due in large part to the quality of the Selected Reserve component. It would be unconscionable for these brave men and women to lose a portion of the educational benefit due them as a result of their service. H.R. 1108 will prevent this injustice from occurring, and I hope we can move expeditiously towards consideration of this legislation.

I thank you for scheduling this timely hearing and look forward to our witnesses.

Mr. PENNY. Thank you, Chris.

Bill, we are delighted to have you here with us today. You're a past member of this committee and we welcome you back. We look forward to your remarks.

## STATEMENT OF HON. BILL RICHARDSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW MEXICO

Mr. RICHARDSON. Thank you, Mr. Chairman. I thank you and the chairman of the committee, and Mr. Smith and Mr. Sangmeister. You are all colleagues and friends, and you're very committed to this issue.

Mr. Chairman, I appreciate you responding so rapidly to a request for hearings on not just my bill but the issue of educational benefits for our returning Persian Gulf heroes.

Again, Mr. Chairman, I regret that I had to leave this committee. I miss it. But I am impressed, although not surprised, at the

commitment this committee has made to easing the veterans' return home.

Though our armed forces performed superlatively in the Persian Gulf with both valor and tremendous skill, we cannot underestimate the potential disruption and trauma that participation in a war inflicts, not only to those who served in the combat zone itself, but to all who were called to Active duty to support our troops.

As we have learned from our Vietnam veterans and the American Psychological Association, the stress and anxiety associated with a country going to war extends beyond the troops in the trenches to the military support personnel, the families, and the veterans of previous wars.

Mr. Chairman, you have introduced a bill with Chairman Montgomery, and I have a bill. I would hope that we could merge the better components of these pieces of legislation that deal with the stress associated with the transition to "normal" life. For our troops, this transition is often as difficult and frightening as deployment, though the pressures are different. Life for our veterans will never exactly be the same as before they were called to Active duty, and we must do everything in our power to facilitate this transition from wartime to peacetime and, eventually, to a normal life.

My bill, Mr. Chairman, H.R. 821, the Persian Gulf Education Equity Act, is one way of reducing the disruption the Persian Gulf conflict caused by minimizing the financial burden of education. My bill does three things: first, it requires schools that receive Federal funding to fully reimburse tuition and fees paid by students called to Active duty during a semester; secondly, it provides partial loan forgiveness for those members of the armed forces who served in the combat zone; and third, similar to your bill, it restores GI Bill education benefits.

I was especially moved to address the issue of veterans' educational benefits when I first was contacted by the parents of a constituent, a talented young student from my congressional district who was called to Active duty in Saudi Arabia in the middle of the fall semester. Although this young man, Johnny Madrid, was quite aware that he might have to serve his country at some point during his education, he did not anticipate the huge financial difficulties he would face in order to continue his education. Mr. and Mrs. Madrid, Johnny's parents, have written testimony, which I would like to be inserted for the record, Mr. Chairman——

Mr. PENNY. Without objection.

Mr. RICHARDSON (continuing). Confirming Johnny's financial hardship because his school did not provide him with a full reimbursement. In other words, we tried to intervene with the school. We said this young man is going off to the Persian Gulf, he's a combat officer, and he wants his funds reimbursed. His family is not wealthy. In fact, they are quite poor. It is only fair that you reimburse his tuition for the time he didn't spend in school.

The side effect is that the school refused to do this. The young man is still owed $566 by the school. Though this may sound like an inconsequential amount to some, $566 is monumental to others. For students from low-income families, any tuition and fees not re-

imbursed cause great hardship and may represent the final barrier to completing education.

My legislation is directed towards protecting those who have already shown a desire to complete their education. Our reservists' courageous service should not be an additional deterrent to their education. This is a potential tragedy that we can prevent with my legislation.

Mr. Chairman, since I introduced this legislation, I have had a number of calls, not only from my State but from States as diverse as Texas, Alabama, and New York, expressing concern for students with the same difficulties. Although many, many colleges and universities have voluntarily implemented reimbursement policies, the large majority don't have that mandated or in writing. I think it is our responsibility to protect those student reservists whose schools have not taken this step. And there are some schools that have not taken this step.

My bill, if enacted, will also assist students who need student loans to finance their education. This provision is designed to meet the special needs of those reservists who were enrolled in school with financing from student loans when they were called up, though it is extended to all servicemembers who served in the combat zone. When these students return to school, it is likely they will need to take out additional student loans. My bill will help offset this supplementary cost by forgiving their student loans in proportion to the amount of time they served in the combat zone.

Finally, it is of the utmost importance that we restore the educational benefits guaranteed to our servicemembers who enlisted under the GI Bill. These military personnel committed themselves to extended military service in exchange for financial assistance for their education. Under current law, they will not gain educational credit for the unfinished semester due to their service in the Persian Gulf. Yet, they will have used up a portion of their GI Bill educational benefits. By ensuring that these servicemembers do not lose the monthly education benefits they used during the unfinished semester, we express our commitment to their education and we help improve the already high caliber of our armed forces.

Mr. Chairman, thank you for inviting me to testify. I would be prepared to answer any questions.

[The statement of Congressman Richardson, with attached statement, appears at p. 47:]

Mr. PENNY. Thank you, Bill, for your explanation of the legislation. As you're aware, several provisions are not under our committee's jurisdiction, but I trust that you will receive favorable attention in the Education and Labor Committee as some of those issues are addressed during the reauthorization of the Higher Education bill.

We are very interested in pursuing this legislation. It addresses one of the problem areas resulting from a call-up on relatively short notice. Our view is that, for the future, we need to make changes that become part of permanent law and permanent policy in this area so that our Guard and Reserve members do not have to face this kind of hardship.

I don't have any questions. Do members of the subcommittee have questions?

Mr. SMITH. I just want to thank our colleague for coming forward with his testimony and his legislation.

Perhaps, Bill, you might tell us if there are any specific institutions or States that you could cite where some form of compensation has not been offered?

Mr. RICHARDSON. I can provide that for the record. I certainly will.

Mr. SMITH. That would be helpful. We will also be asking that of the VA as well, to see if they have some instances, so we can document the need, which I agree is there. But we only have anecdotal stories and we need to get a comprehensive view of the need.

Mr. RICHARDSON. I certainly will.

[The information follows:]

Mr. RICHARDSON: In response to your question, tuition reimbursement has been widely supported as an idea among colleges and universities across the country. In fact, the American Council on Education, American Association of State Colleges and Universities, National Association of State Universities and Land Grant Colleges, American Association of Community and Junior Colleges, and the National Association of Independent Colleges and Universities joined together in writing a letter urging all institutions of higher learning to voluntarily adopt a policy of reimbursement.

The Board of Regents at New Mexico State University instituted a policy on September 7, 1990 which allows students to be entitled to a 100 percent refund of paid tuition and fees under the following conditions:

—If the student is a member of a regular U.S. military service or State National Guard unit;

—If the student is forced to withdraw due to mobilization of an individuals' assigned unit due to a national emergency;

—If the student provides a copy of his/her orders with their withdrawal request, or notification is provided by the appropriate military officer.

Additionally, the Alabama State Board of Education has adopted a wide-ranging tuition reimbursement policy. Reservists who are students at its 39 community, technical, and junior colleges are not only guaranteed a full refund if they are called into active duty, but their spouses and dependents will be granted tuition waivers "in recognition of the financial hardships that some families may experience".

While these are examples where some form of compensation has been offered, unfortunately the majority of institutions have failed to recognize the special tuition reimbursement needs of those serving in the Persian Gulf.

Mr. PENNY. Bill, if I might ask, in your legislation you want reimbursement of those expenses for an unfinished quarter or semester. Some institutions have indicated they would like to handle that in a different fashion. How flexible would you be willing to be in that area, if schools wanted to provide tuition credit or refund it in some different form?

Mr. RICHARDSON. I would be willing to work with the committee on that, Mr. Chairman. I think we have to be flexible. But I am concerned with some institutions that really have not responded adequately to this problem. I would be willing to work out some formula that perhaps encourages the reservist to go back to school.

But this is something that I believe should not be left totally at the discretion of the institution. I think you have to mandate things. Voluntary programs, in many cases, do not work. If you have voluntary programs—the institutions in my State, regrettably, a majority of them have not dealt with this problem. We have probably no more a proportion of reservists that went to the Gulf, but many in my State are of low income and the impact is severe on them.

But a short answer to your question is that I would be willing to work with this committee, which has had long experience on these issues, on how we can deal with this problem.

Mr. PENNY. Thank you, Bill.

Mr. Sangmeister, any questions?

Mr. SANGMEISTER. Just briefly, along that same line.

I have not heard from anyone in my particular State regarding tuition reimbursement. As I understand your response to the question, it is too early yet to have any statistics of what universities or colleges are offering this and which are not. Is that correct?

Mr. RICHARDSON. That's correct.

Mr. SANGMEISTER. And I understand you're going to try to put together, with staff, some statistics on that?

Mr. RICHARDSON. Yes. We're going to try to do that with my staff and the cooperation of the committee staff.

Mr. SANGMEISTER. I would think we ought to be able to get this done on a voluntary basis. But, like you say, we may have to end up mandating it. If it's going to be broken down by State, I would like to see the figures you arrive at for the State of Illinois.

Mr. RICHARDSON. I just want to add one thing that I understood was a concern, a possible concern of yours, and that is the cost of this bill.

We have estimated that, at least the loan forgiveness part, the cost would be about $1.8 million for the loan forgiveness portion. This estimate is based on the assumption that there are 10,000 servicemembers with a maximum loan indebtedness, and that those be forgiven at about six percent of their total loan. We arrived at these figures with the CBO.

The likelihood that there are 10,000 members with these loans is minimal. That's what they estimate as the maximum, although we still don't know, through CRS, CBO, or the Department of Defense, how many students, in effect, were called up. They're compiling that right now.

Mr. SANGMEISTER. That was the other question I had: what the cost would be. Apparently my staff had called yours to relate the question.

Mr. RICHARDSON. Yes, in a very courteous way.

Mr. SANGMEISTER. That's all I have. Thank you, Mr. Chairman.

Mr. PENNY. Thank you, Bill, for your testimony.

Our next witness is Grady Horton, Director of Educational Service, Department of Veterans Affairs. Mr. Horton will be accompanied by Dean Gallin, Deputy Assistant General Counsel. Welcome back to both of you.

Grady, please proceed.

## STATEMENT OF GRADY W. HORTON, DIRECTOR, EDUCATION SERVICE, DEPARTMENT OF VETERANS AFFAIRS; ACCOMPANIED BY DEAN GALLIN, DEPUTY ASSISTANT GENERAL COUNSEL, DVA

Mr. HORTON. Thank you, Mr. Chairman. I have a statement for the record, Mr. Chairman, and I have a short summary statement.

Thank you for the opportunity to appear before the subcommittee to provide the views of the Department of Veterans' Affairs on these two important bills.

While we cannot support every provision of these bills, we appreciate and support their overall objective in providing relief and protection for our worthy service persons.

With regard to H.R. 821, we defer to the Department of Education concerning the student loan cancellation provisions.

Another provision which we do wish to comment on, however, would require schools, to reimburse students' full tuition and fees for courses that they could not complete or which they failed as a result of their Persian Gulf involvement. Many schools are doing this voluntarily. Also, a number of schools have offered Persian Gulf veterans a variety of options for receiving course credit. Some schools have permitted students to take an early examination or complete a class project in order to obtain credit.

Under the terms of this reimbursement requirement, a school's approval may actually be withdrawn for noncompliance. As a result, we have some real problems with this provision. We object to the use of the approval process as an enforcement tool. In addition, this requirement could have the effect of hurting Persian Gulf veterans, as well as their dependents and other veterans, who are attending school now and who may wish to attend in the future.

Finally, this requirement represents an unwarranted Federal intrusion into school administration.

Section 4 of this bill would provide that payments under chapter 30, 32, and 35 of title 38, U.S.C., or chapter 106 of title 10, would be considered not to have been paid in the case of those who did not complete their course or who failed because of Persian Gulf service. We favor this concept.

The next bill is H.R. 1108. We support this measure in its entirety. We particularly favor the version of restoration of education benefits contained in the bill. This would provide that payments of educational assistance to Selected Reservists would not be charged against entitlement because of Persian Gulf service. However, it would only apply to course pursuit for which the person did not receive credit or lost training time toward completion of the approved educational, professional or vocational objective.

In short, we find H.R. 1108's restoration of entitlement provisions preferable to those of H.R. 821 and favor its enactment.

Mr. Chairman, this concludes my testimony. I will be happy to answer questions.

[The prepared statement Mr. Horton appears at p. 54.]

Mr. PENNY. Mr. Horton, you talked about the objections you would have to the provisions in, I believe, H.R. 821 which called for reimbursement and indicated that you thought schools were making satisfactory arrangements on a voluntary basis.

Can you envision any legislative stipulations that might allow for flexibility but give our returning servicemen and women a stronger guarantee that they will not lose out entirely on those amounts of money spent on tuition and fees?

Mr. HORTON. I really can't off the top of my head, Mr. Chairman.

As you know, there are refund provisions in title 38 which provide for pro rata refunds in certain cases and essentially provide,

in all cases, that a school follow its own refund policies. But every school I've ever had any experience with does have a refund policy. I would think, as long as they're following that policy, whether with regard to Persian Gulf veterans or with other veterans, they're doing what they contracted to do.

Mr. PENNY. You're saying that these schools, which are certified for benefits under the GI Bill, must have, in order to be certified, some type of a refund policy?

Mr. HORTON. Nonaccredited schools have a specific refund requirement in the law. As far as I know, all other schools, including institutions of higher learning, have a refund policy that is generally on a pro rata basis. Refund policies are normally based on a front-end loading of the refund, where the costs to the school are heavier at the front.

There are deserving veterans who may leave school for a variety of reasons and would not get a full refund of their tuition and fees.

Mr. PENNY. It is your general view, though, that we shouldn't create a special class for these Gulf veterans?

Mr. HORTON. No, sir, I don't see any real reason to do that.

Mr. PENNY. The circumstances of their departure from school seem to be distinct from the circumstances that would apply to most others that would leave school.

Mr. HORTON. That's certainly true, and I think most of the schools—again, I don't have a statistical basis for this, but anecdotally, we know that a variety of schools are making particular provisions for veterans. You're going to hear testimony later on about the situation in Florida, where actually their refund provisions seem to me to be very generous to veterans.

Mr. PENNY. This would vary from institution to institution, but you mentioned that the refund policy is such that a lot of the costs for a course would be front-loaded, so even if you left that course a couple of weeks into the program, you might be losing a very sizeable portion of your tuition for that course. Is that accurate?

Mr. HORTON. You could. But again, I would defer to the education community to answer those kinds of questions. My knowledge of how the refund policies work is anecdotal.

Mr. PENNY. Thank you.

Mr. Smith.

Mr. SMITH. Thank you, Mr. Chairman.

I wonder, Mr. Horton, if you can tell us how many Persian Gulf veterans does the VA estimate would be included under each of the two sections of H.R. 1108? Do you have any handle on that at this point?

Mr. HORTON. Our projections for the chapter 106 reservist program are running, we think, about 20,000 under what we expected them to be. Again, it is difficult to make projections because both of these programs are growing over time. So in terms of chapter 106, we have an absolute reduction in the amount of people compared with last year, where we expected an increase. So we think that number is about 20,000.

In the chapter 30 program, I just really don't have any figures on that. I don't think we could develop them easily. We do know there are a number of people that otherwise would have been discharged and that have not been discharged and now will be. We also know

that there's a prospective drawdown in the military which will impact us beginning in the fall enrollment this year.

Mr. SMITH. You heard some of the dialogue with regard to alternatives and things like, instead of final exams, certain kinds of accommodations that might be made to the veteran.

Do you have any suggestions as to how the Federal Government could encourage those institutions that might be deficient in this regard to offer some alternatives? And getting back to the scope of the problem, do we have any data on offending institutions?

Mr. HORTON. This is a voluntary type of thing. Everybody seems to be very patriotic this time of the year, including the Congress, and the schools don't seem to be an exception to that. Everybody seems to be doing everything they can for veterans. So I think I would just encourage that attitude.

We have very little indication that there is a problem in this area. I am not aware that we have had any groundswell of correspondence. Of course, most of this would be to our regional offices, but I'm not aware of any problem in the refund area.

Mr. SMITH. Thank you.

Mr. PENNY. Mr. Sangmeister.

Mr. SANGMEISTER. No questions.

Mr. PENNY. Mr. Geren.

Mr. GEREN. No questions, Mr. Chairman.

Mr. PENNY. Thank you, Grady. We appreciate your testimony and your support for the chairman's bill.

Our next panel will include Mr. Ron Atwell, President, National Association of Veterans Program Administrators; Mr. Shawn Landres, Columbia College Student Council, accompanied by Sarah Wolman, University Senator for Columbia University; and Mr. Cassius Peters, United States Student Association.

I might mention that Shawn's parents are in town today and have come to attend this hearing along with him. We welcome them to the committee. It's a pleasure to have you all here.

We will begin with Mr. Atwell.

## STATEMENT OF RONALD H. ATWELL, PRESIDENT, NATIONAL ASSOCIATION OF VETERANS PROGRAM ADMINISTRATORS

Mr. ATWELL. Mr. Chairman, and members of the committee, on behalf of the National Association of Veterans Program Administrators, I wish to thank you for the opportunity to present our views concerning H.R. 821 and H.R. 1108.

We in NAVPA are very concerned with ensuring that education benefits and other forms of financial aid for individuals who participated in the Persian Gulf war are protected. We also are extremely interested in assuring that the interruption to the individual's education is minimized to the greatest extent possible.

H.R. 821 and H.R. 1108 address three of the most important education issues, both to the students and the schools. In my written testimony I have presented NAVPA's position on these two bills, and in the interest of time, I will limit my comments to clarifying that position.

As to H.R. 1108, we support this bill and the provisions to restore benefits and extend delimiting dates.

Since submitting my written testimony, one concern has surfaced. Under this bill, restoring benefits would not be allowed if the student was able to complete the course or courses and receive credit—regardless of if or when they had to withdraw from the course and stop attending. Unfortunately, under DVA rules, benefits would end on the last day of attendance. However, in all fairness to the institutions, if they provide credit, they expect full tuition and fees. We foresee a situation where an Active duty member would only receive a portion of the benefits because they are stopped on the last date of attendance, but the school is going to want the full amount. We feel that some way of compensating this would be most helpful.

Mr. PENNY. Ron, could I interrupt you there for a second?

Mr. ATWELL. Sure.

Mr. PENNY. This seems to get to the point that, in some cases, even if they pro rate a refund, if that's the college's policy, because they front load a lot of these costs you might be in for a month and they might only refund a very small portion of the total cost for that quarter or semester; yet, you're only going to get 1 month's payment under the GI Bill.

Mr. ATWELL. That's right, Mr. Penny. In fact, let me give you an example that comes to my mind.

A student is in the last 5 weeks of the course and they are called to Active duty—and I have a number of cases where this happened. The professors decide to give them credit, that is give them a grade based on what they have completed, waive any final papers, waive any final exams. The VA terminates their benefits based on that last date of attendance. The university says well, we're giving you the credit; we feel we should be compensated in full for tuition and fees. So the individual receives 3 month's worth of benefits payments but ends up paying 4 month's worth of tuition and fees.

If you understand the significance there, they're going to lose in this case—there are three students at UCP that are going to lose one quarter of their benefits, and that is going to be out-of-pocket expenses. We feel—and we've mentioned this before—we feel the VA benefits should be based on the completion of the course and completing the credit as opposed to a date of attendance. But that is, as you're well aware, a completely different issue.

We do feel that there are cases, and will be cases, where students will have out-of-pocket costs because of the VA rules and because, in all fairness to the school, they have completed their contract with the individual by providing the credit.

Mr. PENNY. That is a special case and perhaps that's something that we ought to look at in the context of this legislation. If you would stay in touch with our staff on that, we'll see if we can't address that.

Would you recommend we address that only for the Gulf personnel, or just as a matter of general policy? I'm not sure what other circumstances might arise where this would be important.

Mr. ATWELL. Take the case of an individual that has to leave the school because of medical problems. Again, the VA stops payment on the last day of attendance. But there are cases where the student would be allowed to finish the course work, make arrangements to satisfy any requirements.

It is a problem. It's just that I think the Gulf crisis, with so many people being activated right at the end of that fall term, I think dramatized the problem.

Mr. PENNY. I think we would like to look at that. We are also going to have to get some cost estimates. But my guess is that it wouldn't be a prohibitive cost factor. Again, let's pursue that.

I've stolen some of your time from you, so use what you need to conclude your remarks.

Mr. ATWELL. Thank you.

In consideration of H.R. 821, NAVPA supports the provisions to cancel all or a portion of direct student loans. We do have concerns about regulations governing financial aid. I realize this is not an issue of this committee. But the area of loan repayment and lost grace periods was cited numerous times by my colleagues as an issue. We believe this situation must be corrected to ensure equitable treatment.

My final comments pertain to the provisions of H.R. 821 concerning the full refund of tuition and fees. Let me start out by saying that we in NAVPA support this issue in principle. We feel that we should do whatever is right for the veteran, and we feel that most schools are doing that. That's not to say there are not cases where schools are not providing a full refund.

I can cite a specific example where a State has not changed their refund policy. There are schools that are following the State mandate. There are schools also in that same State that unilaterally have said we're going to do what we feel is right, and we're going to let the legislators sort out the details and worry about it in the future.

As I said, in principle, we do believe that there should be a refund, or some equitable system. But in the State of Florida, for instance, we provide the student with the opportunity to take a tuition credit; we provide them with an opportunity to take some course work and complete it and get a refund on the other course work. We feel that by limiting it to a pure refund, I don't think it would be in the best interest of the students.

I think there is also the question of mitigating circumstances where schools themselves could be put in jeopardy. I think Mr. Horton's comments about the school approval for veterans' benefits is significant. I have 60 veterans called to Active duty, and I have close to 500 drawing VA benefits. What are we doing to do, penalize the 440 because we didn't give a refund on one or two?

The other issue has to do with the question about failure. I have cases where students were called to Active duty, but since they were called to Active duty in the local area, chose to keep the courses and tried to complete the course work. If the person fails the course, we would feel they were given the opportunity with almost a carte blanche date of withdrawal. We would question whether at that time we would have to give them a refund.

That concludes my remarks. I thank you very much for your time. I would be happy to answer any questions.

[The prepared statement of Mr. Atwell appears at p. 60.]

Mr. PENNY. Thank you. We appreciate your helpful suggestions in your testimony.

I don't have any further questions. It seems to me that this other issue is one that we can do some work on and address as we develop the legislation.

Mr. Smith, do you have any questions of the witness?

Mr. SMITH. Let me just ask Mr. Atwell one question.

Mr. Atwell, in your testimony you stated that educational institutions are required to provide prorated repayment of financial aid based on the percentage of the term completed by the student, but that these policies differ from State to State and from institution to institution.

Could you elaborate on these differences, and are you proposing there be a new Federal standard established?

Mr. ATWELL. I am not an expert on financial aid. The one thing I have found out during my discussions with my colleagues is that financial aid is as much a complicated system as VA benefits.

All I can say is there is no standard policy on how do we deal with students being activated for a war emergency situation. As I admitted, this probably should be addressed to the Soldiers and Sailors Relief Act, portions of that bill, because it is that type of issue. But I have cases where students had out-of-pocket living expenses, books and supplies that they used, that obviously couldn't be refunded. But because of the "window", if you understand what I'm saying, they ended up completing 3 weeks and not 5 weeks or 4 weeks and had to pay back financial aid. Again, it's a very isolated situation, but in this one case the individual was out something like $200.

Mr. SMITH. Thank you very much for your testimony. It was very helpful.

Mr. PENNY. Shawn, please proceed with your testimony.

**STATEMENT OF JONATHAN SHAWN LANDRES, DELEGATION COORDINATOR, COLUMBIA COLLEGE STUDENT COUNCIL, COLUMBIA UNIVERSITY; ACCOMPANIED BY SARAH WOLMAN, UNIVERSITY SENATOR, COLUMBIA UNIVERSITY**

Mr. LANDRES. Thank you very much, Mr. Chairman.

Mr. Chairman and members of the subcommittee, I would like to thank you very much not only for undertaking to compensate justly the men and women returning from the Persian Gulf, but also for taking the time to hear from those who most understand what your efforts will mean—students.

I am a member of a delegation of students from Columbia University who have come to Washington this week on behalf of students across the country whose futures are threatened by cutbacks in Federal student aid. I would like to thank you for giving me the opportunity to speak for my classmates who have been called up, and I would like to thank you also for including my full testimony in the record.

First of all, I am not a veteran, but as a member of the Columbia College Student Council, I represent the many Columbia students who have been called up to Active duty. More importantly, as a citizen, I believe I have an obligation to speak out for what I believe—that we owe a great deal to those young men and women who have

given of their lives for the principles of international justice which we hold dear.

Before I address H.R. 821 and 1108 specifically, I would like to recall the 1945–46 GI Bill of rights. As you may remember, the GI Bill opened up the doors of higher education to many students, and by 1955 every penny allocated under the GI Bill of rights had been paid off in new Federal revenues. Similarly, H.R. 821 and H.R. 1108 are outlays which today might cost us a little bit, might hurt a little bit, but in the long run, will benefit this country and this country's economy to no end.

I would like first to comment on H.R. 821. We agree with Congressman Richardson that loan forgiveness is an essential part of the compensation package, but we feel perhaps that prorating the percentage is a little complicated and costly. Sorting out the claims, even with today's advanced technology, might cost millions of dollars. So we feel it would be more cost effective—albeit possibly more costly—to provide 12.5 percent loan forgiveness for any soldier who engaged in activities related to the Persian Gulf for up to a year, and then prorate it from that point on.

In the long run, the additional allocation provides a large return for the economy. But, more importantly, we would like to ask you to consider the following: every soldier gave of his or her life to the war effort; and should we rank their rewards according to the length and location of their service?

Reimbursement of tuition payments is also is a central concern. I am pleased to report that many colleges and universities, including Columbia, have already promised to repay tuition and fees. But not every school has done so. For these institutions, the support of the Federal Government would ensure that student veterans would be able to complete their education without penalty.

We would only request that the section be amended to require schools to allow students to waive their refunds in return for the right to re-enroll at not cost for the number of semesters that they missed. Rising charges might otherwise weaken the value of that reimbursement. Additionally, any special acceleration program, summer programs, or accelerated credit would also help to make up for lost time.

Along with tuition reimbursement, the restoration of all benefits which were paid to offset the burden of that tuition, contained in H.R. 821, section 3, would complete that process. We understand these are currently entitlements, but nevertheless we would hope that you will maintain them as entitlements very clearly in the bill language. We feel that H.R. 1108's language very clearly and specifically covers almost every scenario which might have impacted a student who was deployed, so we prefer the language of H.R. 1108 to that of section 3 in H.R. 821.

With regard to the definition of the end of the Persian Gulf war—this is a small point but it could pose some problems—H.R. 821 provides that the end of the Persian Gulf war would be defined by a presidential proclamation, while H.R. 1108 allows for Congress to make that decision.

We recall that after the Vietnam conflict the President ended the "Vietnam era" in May of 1975, but that Congress extended it to December, 1976, for the purpose of extending benefits. We would

like to keep the power of ending the Persian Gulf war, for the purposes of benefits, with the Congress.

I would like to conclude by expressing my hope that this process is only the beginning of a renewed congressional commitment to rewarding service to country in all walks of life. As you have said, Mr. Chairman, we must develop a GI Bill for civilian public service as well as for military service, so that all those who worked tirelessly at great sacrifice and little recompense might receive the credit they deserve.

Thank you very much, once again.

[The prepared statement of Mr. Landres appears at p. 66.]

Mr. PENNY. Thank you, Shawn, for your testimony.

Mr. Peters, maybe we can conclude with the panel and then we can ask questions of all of you.

**STATEMENT OF CASSIUS PETERS, STUDENT, BRONX COMMUNITY COLLEGE, AND CHAIR, VETERANS CAUCUS OF THE UNITED STATES STUDENT ASSOCIATION**

Mr. PETERS. Mr. Chairman and members of the committee, it is an honor to appear before you. My name is Cassius Peters and I am the legislative officer for the Student Government at Bronx Community College and the City University of New York, where I am active in veteran and student issues. I am also Chairman of the Veterans Caucus of the United States Student Association, which is the oldest and largest national student organization representing more than four million students.

Before I comment on the particulars of H.R. 821 and H.R. 1108, I would like to share some of my thoughts on the need to provide adequate education benefits to our veterans.

I earlier enlisted in the Navy in 1983. Like many other veterans, I enlisted because I needed the financial assistance for college which, in fact, shouldn't be the case. But I wanted the chance to be exposed to some new situations and places. And in 1986 I found myself in the Mediterranean during the conflict with Libya, an uncalled conflict at that. In April of 1988, I found myself in the midst of the Iran-Iraq conflict, which I strongly opposed. I was released from Active duty in September of 1988 and enrolled in Bronx Community College the following semester.

Yet, despite the military's promises of educational benefits, I am finding it harder and harder to afford college. The maximum benefits given me under the Veterans Education Assistance Program total $8,100, which isn't a whole lot when you consider that the average cost of attendance is $3,500 at a 2-year public school, and $11,700 at a private, 4-year school.

Hence, I and USSA strongly support the provisions in H.R. 821 and H.R. 1108 that will help veterans in their quest for education. But this is not enough. These bills will only give to the servicemen and women what they already have. They need more to compensate for their efforts.

First, many of the military reservists who were called to duty in the Persian Gulf found their education disrupted and their benefits shortchanged. H.R. 821 would grant partial Perkins loan forgiveness to military reservists who served in the Gulf. Right now, such

loan forgiveness is only available to those who serve for at least a year. Under this bill, a percentage of a student's Perkins loan shall be canceled in a prorated fashion if he or she has served for less than a year. In fact, there should be no minimum time period for such benefits.

Second, those reservists called to duty who were enrolled in college at the time certainly could not complete that semester nor receive the credits. They should not be expected to pay for an entire semester's tuition and fees. H.R. 821 would ensure that these students are reimbursed by their institutions for the full amount of tuition and fees. However, in recognition of the large numbers of institutions who are voluntarily doing just that—more than 600 according to the American Council on Education—and the difficulties of mandating this of every school from a fiscal and logistical standpoint, USSA is recommending that Congress consider providing reimbursement funds to these students as part of the supplemental 1991 Desert Shield and Desert Storm appropriations bill. Congress should help ensure that funding is available to reimburse these students who should not have to pay for the classes they could not attend in full.

Third, we appreciate the restoration of education benefits provided to Selected Reservists in H.R. 821 and to Active duty persons as well as In H.R. 1108. As I said, with the rising costs of college, these educational benefits are becoming more and more precious. And the Persian Gulf conflict meant that many students who are either Selected Reservists or Active duty members had to discontinue their classes. These incomplete hours in the classroom should not count as part of their educational entitlement. We are happy that the committee is considering restoring these educational benefits so that previous college assistance is not lost to those students who have served this country.

In conclusion, let me reiterate how important these steps are to ensuring that veterans educational benefits are used to their fullest potential. In my case, I have already used up all my VEAP benefits. In order to stay in college, I have been forced to supplement by Pell Grant and State need-based grant with a 30 hour a week job. It has been very difficult working these many hours, going to school full time, and being active in student and veterans issues. Graduate school will be hard to finance and will require me to take out a substantial loan. So I know that my peers who were called to Active duty in the Persian Gulf need all the financial assistance that their military service can give them. Classes not finished should not count as classes taken.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Peters appears at p. 71.]

Mr. PENNY. Thank you, Mr. Peters. I appreciate your participation this afternoon. I am especially appreciative of your remarks given your personal experience with the GI assistance in your educational pursuit.

Do you have any idea how many students at the City University of New York are affected by the call-up that interrupted their course of study?

Mr. PETERS. Well, sir, a final figure was never given. But I know, out of the 18 colleges, they averaged about 15 or 20 members.

Mr. PENNY. Per campus?

Mr. PETERS. Per campus. We also lost one of our members from CUNY, one or two, who were casualties in the Persian Gulf conflict.

Mr. PENNY. Do you have any statistics from Columbia?

Mr. LANDRES. I would estimate that, on the Morningside Heights campus of Columbia, which is the main undergraduate and graduate humanities campus, there were about 30 undergraduates who were called up. If we include the Columbia University School of General Studies, the number may be higher because that school's withdrawal form does not say "required to withdraw for military service". The form only lists withdrawal reasons as medical, academic or personal. And in the School of Engineering and Applied Science, I was told that about 12 students were called up. These figures does not include the uptown medical school, which is graduate.

Mr. PENNY. And you don't have a breakout as to how many of those were actually sent over to the Gulf and how many were called to stateside duty for the Gulf-related needs?

Mr. LANDRES. Unfortunately, I don't.

Mr. PENNY. Many schools, as has been admitted by every witness this morning, do have policies regarding refunds or the crediting of contributions made toward a course not completed. You gave some helpful suggestions this morning.

But since you're on the campus, are you satisfied generally with those refund policies? You know, we can address that for the Gulf personnel with this legislation, but let's look at the rest of the population, just out of curiosity. Are you satisfied that those policies have been equitable policies as a general rule?

Mr. LANDRES. I would like to present Sarah Wolman, who is a University Student Senator. She was present at the University Senate meeting where those questions were discussed and she can provide a little more information as to that concern.

Ms. WOLMAN. Thank you, Mr. Chairman.

On February 12, at the University Senate meeting, I addressed President Sovern, President of Columbia University, in regards to these issues. His response to our concern, as to whether or not the students would be well cared for upon returning from the war, was that, Columbia has been around since the mid-18th Century and it has had an excellent track record in dealing with cases such as these with support and care.

When I made an effort to press him as to whether or not there was an articulated policy at Columbia, he made it clear to me that the historical record and reputation of the University were what we were hoping to depend on when it came to students returning from the Persian Gulf.

Mr. PENNY. There are some States that have imposed a new set of policies just since the initiation of our activities in the Gulf. At least it's my understanding that some States have done that.

Do any of you, maybe Mr. Atwell, have information on that, on which States have done so, and what kind of policies are in place?

Mr. ATWELL. I would not be able to give you a good accurate rundown. I do have feedback from approximately 15 or 20 States at this time. And with the exception of one, possibly two, all of them

have implemented some type of policy for Desert Storm or Desert Shield, or the policy that was already in effect allowed for full refunds or tuition credits. Most of the States, I have found, have expanded their current refund policy, and for students called to Active duty, a refund or a tuition credit was provided. If it was close to the end of the semester, students were allowed to complete the term, with the faculty permission. In these cases no one would force a professor to give a grade. I think that would be out of line to do that.

Mr. PENNY. Mr. Peters, you received your benefits in monthly installments?

Mr. PETERS. Well, sir, I had a problem when I came out. I was unemployed, looking for work, and I wanted to continue my schooling. So what I did was I went to the VA and I asked them to give me some of that money. I took the money and paid for some of my classes immediately, and I also bought my necessities.

The problem is, there is no way I can put that money back in and get the benefits from it, at a time of—understanding there was a crisis. There should be somewhere, someplace, where there is a forgiveness for that, when things are hard and you need the money.

Mr. PENNY. Presently we authorize $140 a month on Guard and Reserve and $300 a month for the Montgomery GI Bill. You're under VEAP, right?

Mr. PETERS. Correct.

Mr. PENNY. How much, on a monthly basis, would that be during the school year?

Mr. PETERS. Well, it came up to about, for 36 months—

Mr. PENNY. You drew the full $8,100?

Mr. PETERS. No. You see, VEAP is a two-for-one program. You put in a dollar and they'll put in two. Now, you can only withdraw the amount that you put in. You cannot get the two-for-one bargain until or unless the school itself accepts your veterans benefit.

Mr. PENNY. Okay.

Mr. PETERS. So at the time I only had $1,500 in there, so after I took some of that money, there was nothing left.

Mr. PENNY. Okay. So you didn't benefit from the full VEAP matching contribution?

Mr. PETERS. No, I didn't.

Mr. PENNY. So in your case you really didn't get much of an education benefit out of this.

Mr. PETERS. Anything. To be honest, it's probably the worst educational benefit that came out of my military experience.

Mr. PENNY. Well, we were greatly frustrated with that program as well, and that's why we now have instituted the new Montgomery GI Bill, which does better for veterans. But we're getting to the point, after several years on the books, where we're wondering whether the $300 a month is adequate. The statistics you gave us about the costs at various institutions seems to bear out that an adjustment is necessary. Of course, an adjustment means some way to finance it.

Mr. PETERS. Correct.

Mr. PENNY. That may mean a somewhat larger up-front contribution on the part of our GI population to access a larger monthly benefit upon their departure from Active duty.

I want to give time to the other subcommittee members to pursue questions with the witnesses, so I will pass the baton to Mr. Smith.

Mr. SMITH. Thank you, Mr. Chairman. I want to thank our students for their fine testimony.

Mr. Landres, in looking at your testimony, you testified that prorating the percentage of forgiveness is unnecessarily complicated and costly, and you suggest a 12.5 percent loan forgiveness. The 12.5 percent would be the entirety of the semester you're talking about?

Mr. LANDRES. I'm not sure I understand the question.

Mr. SMITH. How do you arrive at the 12.5 percent?

Mr. LANDRES. Okay. We understood that after a year in active combat duty, Active duty and reserve duty members were eligible for a 12.5 percent forgiveness in their loan. It was my understanding that the prorating would extend that benefit to the people who had been on combat duty in the Persian Gulf; the short duration of the experience would otherwise preclude it.

What I was suggesting was that we extend that 12.5 percent even to soldiers who spent one day in service. So from zero to 365 days, it would be 12.5 percent, and then prorated after that. So if you're in combat, you get 12.5 percent.

Mr. SMITH. Thank you.

In my own district we have received a number of phone calls from veterans. Now they're veterans, but they were reservists and Guardsmen who were called up while in school. As a matter of fact, I was kind of surprised at the number. They not only spoke of concern about financial protection but also about their concern over getting their grades and hopefully getting credit.

I wonder if the three of you might comment on the experiences you have encountered with professors and administrators being accommodating. Have you found a sympathy, an empathy, with the student who has been called up? Are there instances where someone has come forward and said professor so-and-so has just simply turned a deaf ear to my request?

Mr. Peters, do you want to start?

Mr. PETERS. At our college, the few members that have gone haven't had many problems. Our administration now is working towards relieving them of the financial burden. So, so far so good. No problem. The instructors understand. They are hoping to set up a program where when the students come back, they will have some sort of a readjustment type thing. You know, something that will be a little more acceptable to their school work.

Mr. LANDRES. At Columbia we have a grade called "incomplete". It is my belief that anyone who was in this circumstance would be able to petition the committee on instruction for an incomplete, which would enable that student to complete the course work over the summer.

Columbia has in the past provided accelerated credit. Indeed, the dean of our college, Jack Greenberg, was graduated in 1945 three

points short of the traditional requirement because he was just returning from World War II.

What I would like to stress, though, is that credit doesn't necessarily equal education. If you put someone through the majority of a course and give them full credit, you are still not giving them the benefit of the rest of the course. So it is important that the schools make some effort to provide the students with the remainder of the education, not just the credit.

Mr. SMITH. I appreciate your comments, because I think it's an important point to underscore, that the integrity of the education needs to be protected as well.

Another question, if all three of you perhaps might want to comment on it. The Guard and Reserve traditionally has about an 89 percent retention rate from year to year in its officer corps, and among the enlisted men and women it's about 82 percent. This may be a little early because not everyone has returned, but do you think there may be a problem with some of those who are coming home—have you heard any stories of students who, now that they are coming back, are saying that's it, I'm finished with the Guard, I'm finished with the Reserves, because of the problems they're facing with college?

Ms. WOLMAN. One of the things I am particularly concerned about is that the lack of an articulated policy forces universities and colleges into a case-by-case scenario situation. Regardless of the fact that most universities—as I know that Columbia—are very responsive and supportive to students, but they are still required to go through the bureaucratic ranks to try to get whatever credit, refunds, or loan forgiveness, they desire.

Unfortunately, I think that hassle is discouraging students—whether or not it is discouraging them from continuing in the Reserves or continuing in education, I don't know. But my sense is that students are extremely discouraged with the complexity of the process.

Mr. SMITH. But owing to the fact that a man or woman could be called up at any time, doesn't that lend itself to, at least in some instances, a case-by-case adjudication of the problem? I'm not sure how we can provide an overlay of a national remedy.

Ms. WOLMAN. I think there is a distinction to be made between case-by-case chronologically and case-by-case philosophically. Unfortunately, what our university has been doing, as far as we know, is giving attention to the individual case of the student, their need, merit or what have you. They adjust their responses to that student's case accordingly. As far as a chronological case-by-case scenario, that does make sense. A student who is leaving after the first day of class has to be treated very differently than a student who is leaving before the final exam.

But I would agree with Shawn, that even a student who is leaving before the final exam is missing out on an important piece of their education. I certainly know from personal experience that the synthesis of information in a course can often come at the very end of a semester. A student who does not have the luxury of completing the entire course, we feel, has lost a piece of his or her education.

Mr. SMITH. Shawn.

Mr. LANDRES. What I wanted to add was that it's important to realize that when you're proceeding on a case-by-case scenario, you are also depending on the personalities and views of the relevant administrators and the relevant students. This may benefit a large number of students, but in a few small cases, this may not proceed to the benefit of certain students or administrators based on whatever prior knowledge they have of each other. I'm not implying that this does happen, but I'm saying that it could happen.

It is important to recognize that if the Federal Government can set up a formula, all the school has to do is say, "Okay, this is the situation. We'll drop you through this formula package and the calculation will come out and this is what you will get." This is relatively simple—no one would have to come up with reasons and justifications or make special cases.

Mr. SMITH. I thank the witnesses for their comments and yield back the balance of my time.

Mr. PENNY. Mr. Sangmeister.

Mr. SANGMEISTER. No questions.

Mr. PENNY. Miss Patterson.

Mrs. PATTERSON. No questions.

Mr. PENNY. Mr. Slattery.

Mr. SLATTERY. Thank you, Mr. Chairman.

I'm sorry that I was unable to be here for the first part of your testimony. I'm just curious, how widespread is the problem with schools where they are really refusing to refund tuition to students? What evidence do we have. I know you're all from Columbia and from City University in the Bronx.

I'm just curious. Is this a widespread problem? Is this something that's very localized? What can you all tell us about that. Maybe Mr. Atwell knows something that he would like to share with us, and I would like to hear from the students in what you all have heard.

Mr. ATWELL. I can tell you that my information that I have is that this is not a widespread problem. Most of the colleagues I have talked to—and I have talked to a number of my colleagues in both my State and all across the Nation—there are established refund, or tuition credit polices—

Mr. SLATTERY. Excuse me for interrupting, Mr. Atwell, but every school probably, in their catalog, even has some sort of refund policy.

Mr. ATWELL. I'm talking about a full refund, not the prorated refund. I'm talking about a full refund and, in some cases, giving a tuition credit for future terms, or allowing the individual to finish the course work and take a grade.

I am not going to deny that there are schools that are not doing that. I can—

Mr. SLATTERY. What's wrong, Mr. Atwell, with just passing legislation to deal with those people that are being recalcitrant and just, in effect, say that all those students in the country that were required to leave school to go to the Persian Gulf, or were activated in the Guard units and were forced to drop out of school, will have their entire tuition charge refunded? What's wrong with us doing something like that?

That's cleaner than saying to a student you have to come back next fall to go to school. The circumstances may change and they may not want to go back to that school. They may want to go to another school, or maybe they've been transferred if they're in the military, even. There are all kinds of factors involved. But what would be wrong with the school just saying to those students we're going to refund your tuition, and if you want to come back next year, fine; if not, here's your money?

Mr. ATWELL. I don't have any problem, per se, with a school or a State making that decision. I just feel that the legislation, as written, limits the opportunity for the States and schools to make those decisions and take those actions themselves.

Mr. SLATTERY. What's wrong with us having a standardized, nationwide policy that every veteran can understand, whether they're going back to South Carolina, Kansas or California?

Mr. ATWELL. I can't respond to that.

Mr. SLATTERY. I just hate to get in a situation where someone that's going to Kansas State University is treated one way, and if that student was going to UCLA they are treated another way, and if they were going to the University of North Carolina, they might be treated a third way.

It just seems to me, if we're going to have a policy in this area, it should be a national policy, a uniform policy, and a simple policy that everybody can understand.

Mr. ATWELL. In principle, I can support that. I think legislation in the area of the Soldiers and Sailors Relief Act to preclude something like this from happening I think would be very appropriate.

I am not saying that NAVPA is opposed to refunds; we are not. We are opposed to the legislation as it is presented. If the committee feels that legislation is appropriate, we are asking that you give the States and the schools some latitude to take other action, to offer other alternatives.

Mr. SLATTERY. Okay. I guess my only response to that is that that creates bureaucratic inertia and bureaucratic delay, and in so doing you create an enormous uncertainty among the students and among the troops out there who are coming home. One school would do it one way and 6 months from now they may decide what they're going to do. It seems to me that we could make a quick, clean, easy, simple policy nationwide. I don't think it's going to devastate any of the schools out there in the process.

I would be interested to know what schools had the largest number of students that had to leave. Do you have that information, Mr. Atwell?

Mr. ATWELL. No, I don't, sir.

Mr. SLATTERY. Okay. I have no further questions, Mr. Chairman.

Mr. PENNY. Mr. Smith, do you have a follow up question?

Mr. SMITH. Just one brief question of Mr. Atwell.

Would you be willing to identify the one State you referred to that has not been helpful? Is that Colorado?

Mr. ATWELL. Can I rephrase that question?

[Laughter.]

Let me say that the information I have is based on legislation or rules or policies that have been passed. The one State I am familiar with——

Mr. SMITH. Please don't say New Jersey.

[Laughter.]

Mr. ATWELL (continuing). And where the school reported they were following the State guidelines, that was Texas. But in the same State—I want to point this out—in the same State schools have unilaterally said we're going to give a refund; this is in the legislature's hand; let them work it out; we feel this is the right thing to do.

I'm from Florida, and I'm going to be perfectly honest with you. I know, as far as I can tell, every State school in Florida is giving full refunds, regardless of the date of withdrawal. But I cannot tell you that if you would call or contact the State Board of Regents that they could show you in writing where that resolution has passed. I would hope that everybody would appreciate that this is 6 or 7 months into a process that might drag on, unfortunately, for a long time. There are going to be schools that will question the policy and request clarification. There are going to be mitigating circumstances pointed out which must be adressed.

Mr. SMITH. Thank you.

Mr. PENNY. I want to thank the panel. All of you have given us some excellent suggestions. We will take those to heart as we mark up the bill.

I particularly want to thank the student panelists. My start in politics was as a student leader and a student lobbyist, so I have a special appreciation for the work that you put into your appearance here today. We intend to follow up on this issue and take your advice very seriously. Thank you all for your participation.

Our final panel includes Robert Manhan, Special Assistant for the National Legislative Service, Veterans of Foreign Wars, and Clifton Dupree, Associate Legislative Director, Paralyzed Veterans of America. We will begin with Mr. Manhan.

## STATEMENT OF ROBERT D. MANHAN, SPECIAL ASSISTANT, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. MANHAN. Thank you, Mr. Chairman. It is my pleasure to represent the 2.9 million members of the Veterans of Foreign Wars and its Ladies Auxiliary. We recognize and very much appreciate the effort that this subcommittee has already gone to to recognize and address this very important question.

The VFW recognizes that H.R. 821, which was introduced on February 5 by Mr. Richardson, deals exclusively with problems the military reservists face because their education was interrupted by their being called to Active duty because of the Persian Gulf war.

H.R. 821 deals with three specific areas. The first is partial student loan forgiveness; the second is tuition reimbursement; and third is the restoration of GI Bill education benefits.

The VFW supports the concept as outlined by Mr. Richardson to grant partial student loan forgiveness for a reservist who served on Active duty less than a year. The VFW does not support Mr. Richardson's concept to mandate, under Federal law, that universities and colleges be required to reimburse reservists for that portion of their education that they missed because they were called to Active

duty. We prefer to recognize this as an ongoing cost of war and, therefore, we feel that the Federal Government, in some manner, should reimburse either the educational institutions and/or the individual who was called to Active duty. That addresses, I believe, some of the problems suggested by Congressman Slattery.

The last issue deals with the restoration of the GI Bill education benefits. We prefer the course of action outlined in Mr. Montgomery's bill, 1108. We feel this bill has two overall thrusts: first, to restore veterans educational assistance, and secondly, to extend the delimiting date for education entitlements. This is primarily again for selective reservists who were using chapter 106, title 10 moneys.

Generally speaking, we believe that H.R. 1108 is more equitable in that it will take care of Selected Reservists and/or Active duty enlisted men and women who were participating in an educational program under title 38, chapter 30, 32, or 35. Because the bill covers both categories of veterans, we feel it is more equitable.

Then when we look at H.R. 1108, we think the concept to restore title 10 moneys under chapter 106 for Selected Reservists really addresses the crux of the matter of what happens when Selected Reservists are called to Active duty through no fault of their own.

Mr. Chairman, we recognize that H.R. 1108 is very complex. We interpret that the thrust of the bill is to go back and correct many different pieces of law in both title 10, and title 38, to address the fact that now and in the future reservists will be called to Active duty in defense of the country. Therefore, we should make sure that the individual is in no way penalized for serving his country.

This concludes my testimony. I will be glad to answer any questions that you or any members of the committee may have. Thank you, Mr. Chairman.

[The prepared statement of Mr. Manhan appears at p. 73.]

Mr. PENNY. Thank you, Mr. Manhan.

Next we will hear from Clifton Dupree, from the PVA. This is your first appearance before our subcommittee and we welcome you.

## STATEMENT OF CLIFTON E. DUPREE, ASSOCIATE LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA

Mr. DUPREE. Mr. Chairman and members of the subcommittee, it is a pleasure and personal privilege to appear today on behalf of the Paralyzed Veterans of America, a congressionally chartered veterans service organization. PVA appreciates this opportunity to present our views concerning these proposed legislative initiatives.

I wish to begin by saying we support these legislative proposals and by conveying our gratitude for the time and effort you and members of your staff have devoted to these programs.

Throughout the course of the last 7 months, when critical fiscal constraints would normally cause us to go along with a "business as usual" attitude, you have not forgotten those young men and women who have bravely stopped one of history's most fanatic tyrants since World War II.

We encourage you to engage in aggressive oversight of these programs and to continue legislative initiatives such as H.R. 821 and H.R. 1108. By doing so, you will ensure that the Government's in-

vestment in the education and vocational rehabilitation of our country's veterans and service personnel will remain one of the best investments ever made by the Federal Government.

Mr. Chairman, the legislation before us today would further define VA educational entitlements by making several appropriate amendments to chapter 30, 32 and 35 of title 38, United States Code, and chapter 106 of title 10, United States Code.

Our returning combat veterans who are committed to enhancing their futures through formal education are the people about whom you have chosen to have this hearing today. PVA remains grateful for your concern for their well-being. Your dedication to existing programs and your willingness to address new initiatives will ensure that these and future generations of veterans and their dependents will receive the best that we, as a Nation, can provide.

H.R. 821, the Persian Gulf Conflict Education Equity Act. This legislation is intended to provide educational assistance program enhancements by the cancellation of a portion of the direct student loans of members of the armed forces who served in a combat zone in connection with the Persian Gulf conflict. It would also require the restoration of educational benefits and tuition reimbursement for those members of the armed forces who are unable to pursue studies because of military commitments.

H.R. 1108, to amend titles 10 and 38, United States Code. This legislative initiative proposes to amend titles 10 and 38, United States Code, to restore certain education benefits of individuals serving as part of Operation Desert Storm or Operation Desert Shield.

PVA is pleased to support initiatives which assists members of the armed forces to adjust to civilian life after their separation from military service. This bill also properly promotes and assists the All-Volunteer Force program and aids the retention of armed forces personnel. Finally, it assists young men and women in obtaining an education they might not otherwise be able to afford, and promotes and assists the all-volunteer military program of the United States by attracting qualified men and women to serve in the armed forces.

The Survivors and Dependents Educational Assistance Program, under chapter 35, takes on additional significance for members of PVA and their families. Through this program, the dependents and spouses of a severely disabled veteran can pursue an education without depleting the family's savings or without accumulating significant debt. "To care for their widows and their orphans," the slogan for the Veterans' Administration, must be the objective. For the purposes of maintaining continuity and equality in the program, PVA opposes VA's legislative proposal to eliminate eligibility of stepchildren for chapter 35 survivors and dependents educational assistance.

Over the years, providing counseling services, training and educational opportunities to the Nation's veterans and disabled veterans has proven to be a beneficial program for the Government, the private sector, and especially for the disadvantaged individual needing assistance in education and job placement. Today, these programs are no less important and continue as one of the most

significant benefits available to our returning heroes from Operation Desert Shield and Desert Storm.

In conclusion, Mr. Chairman, PVA looks forward to working closely with the subcommittee and staff to secure passage of legislation that would bring equity to Operation Desert Shield and Desert Storm participants.

Mr. Chairman, this concludes my testimony. I will be happy to answer any questions you may have.

[The prepared statement of Mr. Dupree appears at p. 75.]

Mr. PENNY. Thank you.

To what extent are you hearing from your local chapters about problems being experienced by Persian Gulf personnel who were called to Active duty and aren't being refunded an adequate amount from their college or university?

Mr. MANHAN. Mr. Chairman, the Veterans of Foreign Wars is not really receiving much feedback regarding educational benefits or problems, as we have addressed it this afternoon. But I do recall that one doesn't usually join the VFW until he or she has come back from an overseas assignment, so we don't have that type of young membership at this time.

Mr. PENNY. Mr. Dupree, are you receiving any input from chapters at the State level that they're experiencing a problem?

Mr. DUPREE. No, sir, not at this time. We haven't received anything that I'm aware of. Chapter 35 is the issue that would be one of ours, since most of our veterans are disabled and aren't on Active duty. But their dependents would be affected, I'm sure, after a period of time and we've had a chance to get some information from the chapters.

Mr. PENNY. I suppose it might be a question that would more directly be brought up with county veterans service officers rather than veterans organizations, but I thought there might have been some degree of contact from member families who had brought this to the attention of local or State chapters.

It is pretty clear to us that when you have student witnesses who can list several dozen students from each of their campuses that have been called to Active duty, that we have a huge population out there that is going to be coming back in the next number of weeks, trying to re-enroll and get their accounts from the last quarter that they attended settled This is an issue that would be resolved more satisfactorily if we had some kind of a standard policy that would apply to all of these returning veterans from the Gulf.

I guess I share Congressman Slattery's concern, that if you leave it on a campus-by-campus basis, there's going to be an inequity and unequal treatment here. I hate to have my office inundated with phone calls and complaints that they heard of another family at a different school that had a full refund and they're sitting here without any kind of protection. This legislation would certainly be similar to what we're trying to do with the Soldiers and Sailors Relief Act and the veterans reemployment rights where, for people in those circumstances, we try to lessen the burden and give them access to their previous jobs. This is simply trying to make things right with those who were in an educational institution prior to their call-up. So again, we appreciate your testimony this afternoon.

Before I call on Mr. Slattery, who is right at the microphone, I want to give the ranking member a chance to ask any questions he may have.

Mr. SMITH. Thank you. I want to thank our two witnesses for their testimony.

I, too, had the same question as the chairman. I was thinking of what kind of feedback were you getting from your people in the field, but perhaps it is too soon and your point is well taken, that many of the people have not joined the VFW at this point.

Are there any other educational benefits that you believe our subcommittee ought to be considering in connection with Persian Gulf service? What should we be doing that we're not right now?

Mr. MANHAN. I'll try to respond to that, Mr. Smith. I can't think of anything that you should be doing in addition to what is being undertaken now.

But in order to try to answer the question previously asked by the chairman, regrettably there is no one here from the Department of Defense. They could perhaps answer some of the questions on feedback that Active duty men and women may have experienced, particularly at those bigger military installations that have consortium agreements with local colleges and universities. Most Army and Air Force posts have an education officer who maintains enrollment statistics.

The Selected Reservists, is a different issue, because you're talking about an independent unit in various localities. But I think the Active duty thing could be addressed by the Department of Defense people.

Mr. SMITH. Mr. Dupree.

Mr. DUPREE. I agree with him. I went to school on a military installation after I was discharged under the GI Bill. The ones that will be affected will be the ones that were called to the Gulf and the ones who haven't come back yet really haven't started school because they've got more important things they want to take care of, getting back to their families and things like that. But I'm sure if you have oversight hearings on this a year from now, we're going to know roughly what happened.

Mr. SMITH. Thank you, Mr. Chairman, gentlemen.

Mr. PENNY. Mr. Slattery.

Mr. SLATTERY. Thank you, Mr. Chairman.

The only point I would make is maybe a reiteration of a point I tried to make earlier, and that is, in my district, for example, we have nine colleges and universities, and I'm sure that in other congressional districts they may have more colleges and universities than that.

I would just hate to be in a situation where I was spending the next 6 months or a year explaining to veterans coming back from the Persian Gulf why, if they were in school A they were treated one way, and B another way, and C another way. It just seems to me there is a need for uniformity, a need for fairness, and a need for equality and treatment for these veterans as they return. Some schools can say we're going to do certain things, but they can delay a decision on it through bureaucratic inertia or whatever reason to the point where the outcome of the decision has exactly the opposite effect as may be originally intended.

So all I'm saying is, there needs to be prompt action on this so that students know where they stand with the schools and universities involved. It seems to me there should be some kind of uniformity just to prevent the kind of thing that I can see developing out there. Private colleges and universities might deal with this problem in an entirely different way than the public colleges and universities for example.

So I would urge you, Mr. Manhan, to go back and maybe rethink your organization's position on this particular issue. I'm just curious why you would take the VFW position.

Mr. MANHAN. Please allow me to amplify my position. I believe you may have misunderstood, Mr. Slattery. The VFW's position is that the Federal Government should not mandate each and every individual college or university refund x-amount of dollars to each and every individual.

We did say—perhaps I didn't articulate it too well—in our written statement that we would like to see this cost, the lost moneys due to young men and women who were in the Reserve and who were called to Active duty, being borne by the Federal Government. Said another way, the VFW's position is to have the Federal Government reimburse either each and every university and college and/or the individuals, to preclude the problem that you brought up earlier.

We don't want the student yo be at the mercy of the office of registration and/or administration, whether it be UCLA, a big institution, or a small, private school, at the whims of interpretation of how the institution will reimburse or not reimburse the reservist. No, we want a standard policy. We had said in our testimony that this is something that should be incorporated in the 1991 supplemental appropriation bill for Desert Shield/Desert Storm. And I understand that the Congress may have passed the bill last night or yesterday.

Mr. PENNY. We don't think that will be the last bill.

Mr. MANHAN. Yes. But I hope I have clarified our position. We share your concern.

Mr. SLATTERY. Yes, I understand your position more clearly, I guess. I'm just concerned about where in the world are we going to find the money here to deal with this problem, given the cap reality that we're dealing with in our discretionary pool of money. So for us to come up with the money here to deal with this problem means we're going to have to cut the discretionary part of the budget someplace else to deal with it, unless we define this as an emergency and part of Desert Shield and therefore not subject to the caps. So that's the kind of budgetary problem we're going to find ourselves confronting here.

I appreciate your clarification. I should have been listening more carefully, I guess, to what you said earlier. Thank you.

Mr. MANHAN. Just one response to that. I believe that because the Department of Defense is going to rely on Ready Reserves and the National Guard more in the future when conducting military operations, this Congress may be a pioneer in recognizing the problems associated with what we call "rounding out" the Active duty forces. It's going to be a new concept and I don't think we should address it on an ad hoc basis.

Thank you very much.

Mr. PENNY. I think that is exactly the point. We would intend to make this a permanent feature of law, just the way the Soldiers and Sailors Civil Relief Act has been a permanent feature. We updated that, but at least there's the underlying philosophy of helping out with those who face a problem with a landlord, those who have burdensome mortgage costs, et cetera. That law has been there since World War II and has been quite useful. Of course, the reemployment rights, which is tremendously valuable to us as we see so many Guard and Reserve members called up for a few months, and now, under that law, they have ready access to their previous jobs. We clearly need to do the same thing under permanent law for those who are involved in an academic pursuit.

Thank you again for your testimony today. I want to thank all of those who participated in this afternoon's hearing. we made it right on the hour-and-a-half time frame. All of your observations and suggestions will be taken into account as we process the two bills under consideration.

With that, the hearing is adjourned.

[Whereupon, at 2:33 pm., the subcommittee adjourned.]

# APPENDIX

I

102D CONGRESS
1ST SESSION

# H. R. 821

To provide for the cancellation of a portion of the direct student loans of members of the Armed Forces who serve in a combat zone in connection with the Persian Gulf conflict and to require the restoration of educational benefits and tuition reimbursement for those members of the Armed Forces who are unable to pursue studies because of military commitments.

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 5, 1991

Mr. RICHARDSON introduced the following bill; which was referred jointly to the Committees on Education and Labor, Armed Services, and Veterans' Affairs

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# A BILL

To provide for the cancellation of a portion of the direct student loans of members of the Armed Forces who serve in a combat zone in connection with the Persian Gulf conflict and to require the restoration of educational benefits and tuition reimbursement for those members of the Armed Forces who are unable to pursue studies because of military commitments.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Persian Gulf Conflict Education Equity Act".



43-354 0 - 91 - 2

**SEC. 2. CANCELLATION OF STUDENT LOANS FOR MILITARY SERVICE IN A COMBAT ZONE IN CONNECTION WITH THE PERSIAN GULF CONFLICT.**

Section 465(a) of the Higher Education Act of 1965 (20 U.S.C. 1087ee(a)) is amended—

(1) in pargraph (2)(D)—

(A) by inserting "(i)" after "(D)";

(B) by inserting "or" after "hostilities;"; and

(C) by adding at the end of such paragraph the following new subpargraph:

"(ii) as a member of the Armed Forces of the United States, for services in connection with the Persian Gulf conflict on or after August 2, 1990, in an area designated as a combat zone under section 112(c)(2) of the Internal Revenue Code of 1986;"; and

(2) by adding at the end the following new paragraph:

"(6) Service considered under paragraph (2)(D)(ii) of this subsection may not be considered as service under paragraph (2)(D)(i) of this subsection. The percent of a loan which shall be canceled under this subsection for service under paragraph (2)(D)(ii) of this subsection shall be prorated if that service is less than a complete year. For purposes of paragraph (2)(D)(ii) of this subsection, the term 'Persian Gulf conflict' means the period beginning on August 2, 1990, and ending on the date designated by the President by Executive order

as the date of the termination of United States combatant activities in the Persian Gulf region.".

**SEC. 3. REIMBURSEMENT OF TUITION PAYMENTS LOST BECAUSE OF MILITARY SERVICE OBLIGATIONS.**

(a) REIMBURSEMENT OF PAYMENTS.—Every educational institution that offers courses of study approved for purposes of chapter 30, 32, or 35 of title 38, United States Code, or chapter 106 of title 10, United States Code, shall reimburse each student who is enrolled at that institution and is a member of the Armed Forces for the entire amount of tuition and fees paid by the student to the institution with respect to any course of study that the student is unable to complete or fails because of the student's service on active duty in connection with the Persian Gulf conflict.

(b) EFFECT OF FAILURE TO REIMBURSE.—(1) No program of education or other course of study offered by any educational institution shall be considered as approved for purposes of any of the chapters referred to in subsection (a) if, within 45 days after the date of the enactment of this Act, the institution does not certify to the Secretary of Veterans Affairs that it is implementing the requirement of such subsection.

(2) Federal financial assistance may not be made available under the Higher Education Act of 1965 to an educational institution if, within 45 days after the date of the en-

actment of this Act, the institution does not certify to the Secretary of Education that it is implementing the requirement of subsection (a).

(c) DEFINITIONS—For purposes of this section:

(1) The term "educational institution" has the meaning given that term in section 1701(a)(6) of title 38, United States Code.

(2) The term "Persian Gulf conflict" means the period beginning on August 2, 1990, and ending on the date designated by the President by Executive order as the date of the termination of United States combatant activities in the Persian Gulf region.

**SEC. 4. RESTORATION OF CERTAIN EDUCATION BENEFITS.**

(a) RESTORATION OF EDUCATION ASSISTANCE BENEFITS.—Notwithstanding any other provision of law, any payment under chapter 30, 32, or 35 of title 38, United States Code, or under chapter 106 of title 10, United States Code, to an individual who is a member of the Armed Forces shall, for purposes of determining the amount of benefits payable to such individual under any such chapter, be considered not to have been paid, if the payment is made as a result of the individual's enrollment in a course of study that the individual is unable to complete or fails because of the person's service on active duty in connection with the Persian Gulf conflict.

(b) PERSIAN GULF CONFLICT DEFINED.—For purposes of this section, the term "Persian Gulf conflict" means the period beginning on August 2, 1990, and ending on the date designated by the President by Executive order as the date of the termination of United States combatant activities in the Persian Gulf region.

(c) REPORT ON IMPLEMENTATION.—Not later than one year after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit a report to the Congress describing the implementation of this section.

**SEC. 5. EFFECTIVE DATE.**

This Act and the amendments made by this Act shall take effect as of August 2, 1990.

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I

102D CONGRESS
1ST SESSION

# H. R. 1108

To amend titles 10 and 38, United States Code, to restore certain education benefits of individuals serving as part of Operation Desert Shield or Operation Desert Storm.

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 25, 1991

Mr. MONTGOMERY (for himself, Mr. PENNY, Mr. SMITH of New Jersey, Mr. STUMP, Mr. EDWARDS of California, and Mr. NAGLE); introduced the following bill; which was referred jointly to the Committees on Armed Services and Veterans' Affairs

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# A BILL

To amend titles 10 and 38, United States Code, to restore certain education benefits of individuals serving as part of Operation Desert Shield or Operation Desert Storm.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. DELIMITING DATE.**

Section 2133(b) of title 10, United States Code, is amended by adding at the end the following new paragraphs:

"(4) Any period of service on active duty served by a person ordered, in connection with the Persian Gulf War, to such active duty under section 672, 673, 673b, 674, or 675

shall not be considered, for purposes of subsection (a), to be—

"(A) a part of the 10-year period referred to in clause (1) of such subsection; or

"(B) a separation from the Selected Reserve referred to in clause (2) of such subsection.

"(5) For purposes of this chapter, the term 'Persian Gulf War' means the period beginning on August 2, 1990, and ending on the date thereafter prescribed by Presidential proclamation or by law.".

**SEC. 2. PAYMENT OF EDUCATIONAL ASSISTANCE.**

(a) CHAPTER 30 PROGRAM.—Section 1413 of title 38, United States Code, is amended by adding at the end the following new subsection:

"(e)(1) Notwithstanding any other provision of this chapter or chapter 36 of this title, any payment of an educational assistance allowance described in paragraph (2) of this subsection shall not—

"(A) be charged against any entitlement of any individual under this chapter; or

"(B) be counted toward the aggregate period for which section 1795 of this title limits an individual's receipt of assistance.

"(2) The payment of the educational assistance allowance referred to in paragraph (1) of this subsection is the

payment of such an allowance to an individual for pursuit of a course or courses under this chapter with respect to the period described in paragraph (3) of this subsection if the Secretary finds that the individual—

"(A) in the case of a member of the Selected Reserve, had to discontinue such course pursuit as a result of being ordered, in connection with the Persian Gulf War, to serve on active duty under section 672, 673, 673b, or 675 of title 10; or

"(B) in the case of a person serving on active duty, had to discontinue such course pursuit as a result of being ordered, in connection with such War, to a new duty location or assignment or to perform an increased amount of work; and

"(C) failed to receive credit or lost training time toward completion of the individual's approved education, professional, or vocational objective as a result of having to discontinue, as described in subparagraph (A) or (B) of this paragraph, his or her course pursuit.

"(3) The period of course pursuit referred to in paragraph (2) of this subsection is the period beginning on the effective date of the award of an educational assistance allowance under this chapter to the individual for the period of enrollment during which the individual discontinued course pursuit as described in paragraph (2) of this subsection and

ending on the date of such discontinuance; except that in no case may such period exceed the portion of the period of enrollment in the course of courses for which the individual failed to receive credit or with respect to which the individual lost training time, as determined under paragraph (2)(C) of this subsection.".

(b) CHAPTER 32 PROGRAM.—(1) Section 1631(a) of such title is amended by adding at the end the following new paragraph:

"(5)(A) Notwithstanding any other provision of this chapter or chapter 36 of this title, any payment of an educational assistance allowance described in subparagraph (B) of this paragraph—

"(i) shall not be charged against the entitlement of any eligible veteran under this chapter; and

"(ii) shall not be counted toward the aggregate period for which section 1795 of this title limits an individual's receipt of assistance.

"(B) The payment of an educational assistance allowance referred to in subparagraph (A) of this paragraph is any payment of a monthly benefit under this chapter to an eligible veteran for pursuit of a course or courses under this chapter during the period described in subparagraph (C) of this subsection if the Secretary finds that the eligible veteran—

"(i) in the case of a member of the Selected Reserve, had to discontinue such course pursuit as a result of being ordered, in connection with the Persian Gulf War, to serve on active duty under section 672, 673, 673b, or 675 of title 10; or

"(ii) in the case of a person serving on active duty, had to discontinue such course pursuit as a result of being ordered, in connection with such War, to a new duty location or assignment or to perform an increased amount of work; and

"(iii) failed to receive credit or training time toward completion of the individual's approved educational, professional, or vocational objective as a result of having to discontinue, as described in clause (i) or (ii) of this subparagraph, his or her course pursuit.

"(C) The period of course pursuit referred to in subparagraph (B) of this paragraph is the period beginning on the effective date of the award of an educational assistance allowance under this chapter to the veteran for the period of enrollment during which the veteran discontinued course pursuit as described in subparagraph (B) of this paragraph and ending on the date of such discontinuance; except that in no case may such period exceed the portion of the period of enrollment in the course or courses for which the individual failed to receive credit or with respect to which the individual

lost training time, as determined under subparagraph (B)(iii) of this paragraph.

"(D) The amount in the fund for each eligible veteran who received a payment of an educational assistance allowance described in subparagraph (B) of this paragraph shall be restored to the amount that would have been in the fund for the veteran if the payment had not been made. For purposes of carrying out the previous sentence, the Secretary of Defense shall deposit into the fund, on behalf of each such veteran, an amount equal to the entire amount of the payment made to the veteran.

"(E) The formula provided in paragraph (2) of this subsection shall be implemented as if—

"(i) the payment made to the fund by the Secretary of Defense under subparagraph (D) of this paragraph; and

"(ii) any payment described in subparagraph (B) of this paragraph that was paid out of the fund, had not been made or paid.".

(2) Section 1631(a)(2) of such title is amended by inserting "in paragraph (5)(E) of this subsection and" after "Except as provided".

(c) CHAPTER 35 PROGRAM.—Section 1711(a) of such title is amended—

(1) by striking out "Each" and inserting in lieu thereof "(1) Each"; and

(2) by adding at the end the following new paragraph:

"(2)(A) Notwithstanding any other provision of this chapter or chapter 36 of this title, any payment of an educational assistance allowance described in subparagraph (B) of this paragraph shall not—

"(i) be charged against the entitlement of any individual under this chapter; or

"(ii) be counted toward the aggregate period for which section 1795 of this title limits an individual's receipt of assistance.

"(B) The payment of the educational assistance allowance referred to in subparagraph (A) of this paragraph is the payment of such an allowance to an individual for pursuit of a course or courses under this chapter with respect to the period described in subparagraph (C) of this paragraph if the Secretary finds that the individual—

"(i) had to discontinue such course pursuit as a result of being ordered, in connection with the Persian Gulf War, to serve on active duty under section 672, 673, 673b, or 675 of title 10; and

"(ii) failed to receive credit or training time toward completion of the individual's approved educa-

tional, professional, or vocational objective as a result of having to discontinue, as described in clause (i) of this subparagraph, his or her course pursuit.

"(C) The period of course pursuit referred to in subparagraph (B) of this paragraph is the period beginning on the effective date of the award of an educational assistance allowance under this chapter to the individual for the period of enrollment during which the individual discontinued course pursuit as described in subparagraph (B) of this paragraph and ending on the date of such discontinuance; except that in no case may such period exceed the portion of the period of enrollment in the course or courses for which the individual failed to receive credit or with respect to which the individual lost training time, as determined under subparagraph (B)(ii) of this paragraph.".

(d) SELECTED RESERVE PROGRAM.—Section 2131(c) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(3)(A) Notwithstanding any other provision of this chapter or chapter 36 of title 38, any payment of an educational assistance allowance described in subparagraph (B) of this paragraph shall not—

"(i) be charged against the entitlement of any individual under this chapter; or

"(ii) be counted toward the aggregate period for which section 1795 of title 38 limits an individual's receipt of assistance.

"(B) The payment of the educational assistance allowance referred to in subparagraph (A) of this paragraph is the payment of such an allowance to the individual for pursuit of a course or courses under this chapter with respect to the period described in subparagraph (C) of this paragraph if the Secretary of Veterans Affairs finds that the individual—

"(i) had to discontinue such course pursuit as a result of being ordered, in connection with the Persian Gulf War, to serve on active duty under section 672, 673, 673b, or 675 of title 10; and

"(ii) failed to receive credit or training time toward completion of the individual's approved educational, professional, or vocational objective as a result of having to discontinue, as described in clause (i) of this subparagraph, his or her course pursuit.

"(C) The period of course pursuit referred to in subparagraph (B) of this paragraph is the period beginning on the effective date of the award of an educational assistance allowance under this chapter to the individual for the period of enrollment during which the individual discontinued course pursuit as described in subparagraph (B) of this paragraph and ending on the date of such discontinuance; except that in

no case may such period exceed the portion of the period of enrollment in the course or courses for which the individual failed to receive credit or with respect to which the individual lost training time, as determined under subparagraph (B)(ii) of this paragraph.".

**SEC. 3. DEFINITION.**

Section 101 of title 38, United States Code, is amended by adding at the end the following new paragraph:

"(33) The term 'Persian Gulf War' means the period beginning on August 2, 1990, and ending on the date thereafter prescribed by Presidential proclamation or by law.".

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Summary -- H.R. 1108

Section 1

**Extension of Delimiting Date**

1. Any period of active duty served in connection with the Persian Gulf War by Selected Reservists eligible for Chapter 106 would not be considered to be --

   a. part of the 10-year delimiting date which begins on the date Selected Reservists become eligible for Chapter 106; or

   b. a separation from the Selected Reserve (which would otherwise result in the termination of eligibility for Chapter 106).

Section 2

**Restoration of Veterans Educational Assistance**

1. Selected Reservists who withdraw from school because of activation in connection with the Persian Gulf War and, as a result, fail to receive credit for that period of study, would not have that time charged against their entitlement.

2. Active duty servicemembers who withdraw from school because of duties associated with the Persian Gulf War and, as a result, fail to receive credit for that period of study, would not have that time charged against their entitlement.

3. These provisions would apply to Chapters 30, 32, and 35 of title 38, United States Code, and Chapter 106 of title 10.

PROVISIONS OF H.R. 821
THE PERSIAN GULF EDUCATION EQUITY ACT
INTRODUCED BY HON. BILL RICHARDSON
ON FEBRUARY 5, 1991

RESTORATION OF GI BILL BENEFITS - Restores educational benefits to those individuals whose education was interrupted because they were called to active duty before the end of a semester, thereby not receiving credit for that semester.

STUDENT LOAN FORGIVENESS - Allows for partial loan forgiveness for military personnel who serve in the Combat Zone for under one year. (The partial loan cancellation, 12.5% of the outstanding loan, will be pro-rated according to the duration of time served in the Combat Zone). Under current law, only members of the Armed Forces who serve more than one year in the Combat Zone will have a portion of their student loans cancelled.

TUITION REIMBURSEMENT - Requires colleges and universities that receive Federal assistance to reimburse tutition and fees paid by reservists who were unable to complete a semester because they were called to duty in the Persian Gulf.

TESTIMONY OF CONGRESSMAN BILL RICHARDSON

EDUCATION, TRAINING AND EMPLOYMENT SUBCOMMITTEE
COMMITTEE ON VETERANS' AFFAIRS

MARCH 20, 1991

Mr. Chairman and Members of the Subcommittee,

It is an honor and privilege to be able to testify before you today on this matter of extreme importance. I could not be more pleased at the attention the Veterans' Affairs Committee has paid to the needs of our newest veterans, and I am impressed, though not surprised, at the commitment this committee has made to easing the veterans' return home.

Though our Armed Forces performed superlatively in the Persian Gulf, with both valor and tremendous skill, we can not underestimate the potential disruption, and trauma that participation in a war inflicts, not only to those who served in the Combat Zone itself, but to all who were called to active duty to support our troops. As we have learned from our Vietnam veterans and the American Psychological Association, the stress and anxiety associated with a country going to war extends beyond the troops in the trenches to the military support personnel, the families, and the veterans of previous wars.

My esteemed colleague, Mr. Montgomery and I have each written legislation that aims to reduce the stress associated with the transition back to "normal life." For our troops, this transition is often as difficult and frightening as deployment, though the pressures are different. Life for our veterans will never be exactly the same as before they were called to active duty, and we must do everything in our power to facilitate this transition from war-time to peace-time and to an otherwise "normal life."

My bill, H. R. 821, the Persian Gulf Education Equity Act,

is one way of reducing the disruption the Persian Gulf conflict caused by minimizing the financial burden of education. My bill does three things: it requires schools that receive federal funding to fully reimburse tuition and fees paid by students called to active duty during a semester; it provides partial loan-forgiveness for those members of the Armed Forces who served in the Combat Zone; and, similar to Mr. Montgomery's bill, it restores GI Bill education benefits.

I was especially moved to address the issue of veterans' educational benefits when I was contacted by the parents of a talented, young student from my district who was called to active duty in Saudi Arabia in the middle of the Fall Semester. Although this young man, Johnny Madrid, was quite aware that he might have to serve his country at some point during his education, he did not anticipate the huge financial difficulties he would face in order to continue his education. Mr. and Mrs. Madrid, Johnny's parents, have written testimony, which I would ask be inserted for the record, confirming Johnny's financial hardship because his school did not provide him with a full reimbursement.

Johnny is still owed $566.00 by his school. Though this may sound like an inconsequential amount to some, $566.00 is monumental to others. For students from low-income families, any tuition and fees not reimbursed cause great hardship and may represent the final barrier to completing education. My legislation is directed towards protecting those who have already shown a desire to complete their education. Our reservists'

courageous service should not be an additional deterrent to their education. This is a potential tragedy that we can prevent with my legislation.

Unfortunately, Johnny's school is not the only college or university that has not completely refunded the tuition and fees of its student reservists. I have received numerous calls, not only from New Mexico, but from Texas, Alabama, and New York, expressing concern for students with the same difficulties. Although many, many colleges and universities have voluntarily implemented reimbursement policies, we must protect those student reservists whose schools have not taken this step.

My bill, if enacted, will also assist students who needed student loans to help finance their education. This provision is designed to meet the special needs of those reservists who were enrolled in school with financing from student loans when they were called up, though it is extended to all service members who served in the combat zone. When these students return to school it is likely that they will need to take out additional student loans; my bill will help offset this supplementary cost by forgiving their student loans in proportion to the amount of time they served in the Combat Zone.

Finally, it is of the utmost importance that we restore the educational benefits guaranteed to our service members who enlisted under the GI Bill. These military personnel committed themselves to extended military service in exchange for financial assistance for their education. Under current law, they will not gain educational credit for the unfinished semester due to their

service in the Persian Gulf. Yet, they will have used up a portion of their GI Bill Educational benefits. By insuring that these service members do not lose the monthly education benefits they used during the unfinished semester, we express our commitment to their education and we help improve the already high caliber of our Armed Forces.

I thank you for inviting me testify here today, and would be pleased to answer any questions you may have.

Testimony of Mr. and Mrs. Madrid
of Hernandez, New Mexico

Veterans' Affairs
Subcommittee on Education, Training and Employment

March 20, 1991

Mr. Speaker,

We regret that we are unable to join you today, but are grateful to you for the opportunity to submit our testimony for the record. We could not be more pleased that you have decided to address the important issue of educational benefits for reservists because this is an issue that directly impacts our son.

We are writing to you on behalf of our son, Johnny A. Madrid, who is presently serving in the Persian Gulf (Saudi Arabia). Johnny was deployed to active duty on October 9, 1990. At the time Johnny was deployed, he was a full-time student (Sophomore) at New Mexico State University in Las Cruces, New Mexico. He was majoring in electrical engineering.

Johnny was on a scholarship (New Mexico Scholar Scholarship) which pays tuition and fees. In addition, Johnny had to pay a total of $792.00 out of his own pocket to cover his housing deposit, room and board, and other academic related expenses. He paid all this money from August 24th, when school started, through October 9, 1990, when he was deployed.

To date he has been reimbursed $226.00 out of the $792.00 paid by him, leaving him at a loss of $566.00. This is a complete loss to Johnny because due to his deployment to active duty, he had to withdraw from New Mexico State University, meaning he will have to start as a sophomore again when he returns. With college expenses so high, Johnny needs this money and we are hoping that Johnny can get a full refund. If he is not given this full refund, it will be a hardship for him.

Johnny needs to continue his education. He can not afford to lose out. He is a very smart young man and continuing his education is of the utmost importance to him.

Please do all you can to get Johnny's money back. Congressman Richardson's bill, H.R. 821, would require schools to fully reimburse students like Johnny, and would resolve this issue.

We want to take this opportunity to thank you and all your staff for all the help you have given us. May God Bless You. Thank you!

STATEMENT OF

GRADY W. HORTON

DIRECTOR, EDUCATION SERVICE

DEPARTMENT OF VETERANS AFFAIRS

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING

AND EMPLOYMENT

HOUSE OF REPRESENTATIVES

March 20, 1991

Mr. Chairman and members of the Subcommittee:

Thank you for the opportunity to appear before this Subcommittee to provide the views of the Department of Veterans Affairs (VA) on two pieces of educational assistance-related legislation: H.R. 821 and H.R. 1108. These measures commendably seek to minimize the disruption, relieve the economic distress, and restore the loss of benefits resulting from service on active duty performed by members of our Armed Forces in connection with the Persian Gulf conflict. We as a Nation are very grateful to them.

Although we cannot support all provisions of these bills, as further explained below, we appreciate and support their overall objectives of providing relief and protection to such servicepersons. We further greatly appreciate the very quick attention the Subcommittee has given to these matters.

Mr. Chairman, H.R. 821 proposes, among other things, amendments affecting the Higher Education Act of 1965. It would provide for cancellation of a portion of certain student loans for an individual who served in the Armed Forces in a combat zone in the Persian Gulf region on or after August 2, 1990, and ending by a date set by the President.

Since these provisions relate solely to matters under the Higher Education Act of 1965 that are within the jurisdiction of the Department of Education, we defer to the views of that Department as to their merits.

This bill also would require that educational institutions, offering approved courses for purposes of chapter 30, 32, or 35 of title 38, United States Code, or chapter 106 of title 10, United States Code, must reimburse full tuition and fees for any course of study that a student was unable to complete or failed as a result of serving on active duty in connection with the Persian Gulf conflict. (For purposes of this measure, the term "Persian Gulf conflict" is defined as the period beginning August 2, 1990, and ending on a date set by the President as the termination date of United States combatant activities in the Persian Gulf region.) Moreover, provision is made for imposition of penalties to enforce compliance with the requirement.

For instance, should the educational institution fail to certify to the Department of Veterans Affairs (VA) within 45 days of enactment that it is implementing the reimbursement requirement, the course of study being offered would no longer be approved for purposes of VA education benefits. Moreover, financial assistance would no longer be available to the institution under the Higher Education Act should it fail to certify to the Secretary of Education that it is implementing the requirement.

While we appreciate the intent of this provision, Mr. Chairman, we view it as an unwarranted Federal intrusion into the administration of public and private educational institutions. Moreover, many schools have offered members of the Armed Forces who were required to interrupt their educational pursuit due to the Persian Gulf hostilities a variety of options for receiving course credit. Some schools

have permitted students to take an early examination or complete a class project in order to obtain credit; others have voluntarily refunded the student's tuition. Thus, the need for such a provision, in our view, is not apparent.

Section 4 of H.R. 821 would provide that payment to an individual of educational assistance under chapter 30, 32, 35, of title 38, or chapter 106 of title 10 will not be considered to have been made if the individual is unable to complete training or fails his or her course because of active duty service in connection with the Persian Gulf conflict. VA would be required to furnish the Congress a report on our implementation of this section within 1 year after the date of enactment.

We support the concept embodied in section 4. Under the circumstances, restoring entitlement to our young men and women whose educational pursuits were disrupted by their call to service in connection with the Persian Gulf hostilities is most appropriate. Clearly, it would be neither prudent nor fair for the Government to allow such a disruption to cause a forfeiture of any portion of an individual's earned education benefits.

We also fully support the Department of Defense position that provision should be made for an eligible Selected Reservist called to active duty in connection with the Persian Gulf conflict to have the period while on such active duty excluded from his or her 10-year delimiting date under the chapter 106 Montgomery GI Bill program.

Mr. Chairman, turning now to H.R. 1108, I am pleased to state our support for this measure. This legislation does contain a provision amending title 10 to provide that a reservist called to active duty under section 672, 673, 673b, 674, or 675 of that title in connection with the Persian Gulf War would have that period of active duty excluded from his or

her 10-year delimiting date. Further, such service would not be considered a separation from the Selected Reserve for delimiting date determination purposes.

Chapter 106 currently provides that educational assistance must be used within 10 years of the date on which the individual first became entitled or the date of separation from the Selected Reserve, whichever first occurs. Thus, the proposed amendment would replace the time lost from educational pursuit so as not to penalize the reservist who responded to the Country's call to active service as a result of Desert Shield/Storm operations.

As previously stated, we join the Department of Defense in supporting this initiative.

Further, this bill, like H.R. 821, contains a section providing for restoration of education benefits. This version, however, is far more developed. It would amend chapters 30, 32, and 35 of title 38 and chapter 106 of title 10 to provide that any payment of educational assistance under those chapters to a member of the Selected Reserve would not be charged against the reservist's entitlement if he or she had to discontinue pursuit of education or training because of being ordered, in connection with the Persian Gulf War, to active duty under section 672, 673, 673b, or 675 of title 10. The provision would apply only to course pursuit for which the individual did not receive credit or lost training time toward completion of the approved educational, professional, or vocational objective.

The same section also would restore entitlement for members of the Armed Forces who had to discontinue course pursuit while on active duty as a result of being ordered, in connection with such War, to a new duty location or assignment or to perform an increased amount of work.

In addition, to effect the restoration of entitlement with respect to the chapter 32 contributory GI Bill (VEAP), the H.R. 1108 version would require that the Department of Defense restore, by deposit to the VEAP Fund, an amount equal to the entire amount of the payment made to the veteran for the uncompleted course.

Except to the extent applicable to the chapter 32 and chapter 106 programs on which we defer to the views of the Department of Defense, we find the H.R. 1108 restoration of entitlement provisions preferable to those of H.R. 821 and favor their enactment.

Mr. Chairman, this concludes my testimony. I will be pleased to respond to any questions you or the members of the Subcommittee may have.

TESTIMONY OF

Ronald H. Atwell, President,

National Association of

Veterans Program Administrators (NAVPA)

before the

House of Representatives

Veterans' Affairs Sub-Committee

on Education, Training And Employment

March 20, 1991
334 Cannon House Office Building
Washington, D.C 20515

Mr. Chairman and members of this committee, on behalf of the National Association of Veterans Program Administrators (NAVPA), I wish to thank you for the opportunity to present our views concerning H.R. 821 and H.R. 1108.

We in NAVPA are very concerned with ensuring that educational benefits, and other forms of financial aid, for individuals who participated in the Persian Gulf War are protected. We also are extremely interested in assuring that the interruption to the individuals' education is minimized to the greatest extent possible.

The comments and views that I present are from three sources. First, my personal observations based upon the day-to-day operation of the Office of Veterans Affairs, at the University of Central Florida. Second, those views of individuals from my school who are participating in the Persian Gulf War. Finally, those views of my NAVPA colleagues from across the country. The information from the second two groups was compiled during discussions with students and informal surveys of some NAVPA member schools. Time and circumstances did not permit contact with all students, nor did it allow a survey of all NAVPA schools. It's important to note that while this is a limited sampling, it does provide general information and possibly identifies trends.

H.R. 821 and H.R. 1108 address three of the most important issues, both to the students and the schools. First, the status of direct student loans for participants in the Persian Gulf War. Second, reimbursement of tuition and fee payments lost because of military service obligation. Third, restoration of certain education benefits. I will comment on the latter issue when I address H.R. 1108.

In response to H.R. 821, the proposal to cancel a portion, or all, of a direct student loan for military service in the Persian Gulf War is fully supported by NAVPA. We believe that providing education funds, especially to those

who are the most needy, is a small price in return for the service of the men and women of our military forces. NAVPA recommends that the provisions of this Bill be applied equally to all military service members (active, Guard and Reserve) who served in the Persian Gulf War. Further, NAVPA recommends that this Committee consider allowing the cancellation of future direct student loans in certain cases. For example, there are possibly cases where a student applied for and was approved for a direct student loan, but because of the activation the loan was never processed. We believe that any future loan should be eligible for consideration.

Additionally, we would ask that consideration be given to further changes to the direct student loan program. These changes are recommended to correct current problems and inequities that have surfaced for some of the military service members who were called to active duty. We would hope that these changes would also prevent these problems from recurring in the future.

When the Gulf conflict first started, and students were being activated, it became clear that those with direct student loans and other forms of financial aid were experiencing two problems. The first had to do with returning financial aid because of withdrawing from classes. Since most, if not all, schools are giving full tuition refunds current regulations require repayment of certain student loans and grants. Unfortunately, educational cost are front-end loaded. That is, the majority of educational expenses are at the beginning of the term or semester. And, even with a full refund policy for tuition and fees, there are still costs which cannot be recouped. For example: books and supplies that may or may not be needed in the future; and housing expenses associated with starting school, such as non-refundable installation and hook-up fees. Under current federal law and Department of Education regulations, educational institutions are required to develop a prorated



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financial aid repayment policy based upon the percentage of the term or semester which the student completed. However, these policies can and do differ from school to school and from state to state. Unfortunately, at the time of their activation, many students were just starting classes, both in the Fall semester (Desert Shield) and the Spring semester (Desert Storm). The result was that some students acquired financial aid overpayments because the schools provided refunds and the student did not complete a minimum number of weeks. We in NAVPA would ask that a military service repayment waiver be instituted for all forms of financial aid, where repayment is required.

The second issue has to do with the six month grace period for repayment of direct student loans. It is my understanding that although provisions have been made to provide for military deferment to begin repaying the loan, all or part of the six month grace period is still used up. This puts the veteran in the position of having to start repaying the loan immediately upon graduating or leaving school. NAVPA proposes that periods of military duty not be considered as part of the grace period.

The second provision of H.R. 821, the reimbursement of tuition payments lost because of military service obligations, was the single greatest concern of activated students, followed closely by concerns about completing the term. In principal NAVPA fully supports a policy of full reimbursement of tuition payments for those students activated for the Persian Gulf War. And, as was stated in a letter from the American Council on Education, the vast majority of the educational associations and organizations support this position. In fact, if NAVPA membership is representative of the educational institutions, which I believe it is, full refunds are generally being offered. This is not to deny that there are undoubtedly cases where schools are not giving full

refunds. However, we believe that these are isolated cases and not the norm. But even in cases where refunds are not being provided, NAVPA has some concerns with legislation at the Federal level. In reality the enactment of this legislation may be counter to the best interest of the veteran. For instance, the Florida State University System (SUS), along with the state Community Colleges adopted a policy early on that would provide for a full refund of all tuition and fees if the student could not complete the semester/term. If the student could complete the term and receive final grade(s) no refund was provided. This policy also allowed students to receive refunds for some classes, while allowing the student to complete the remaining course(s). The SUS proposal went one step further. It suggested a tuition and fee credit for future terms. For example, an activated student who was enrolled for twelve (12) semester hours could take a tuition credit which could then be applied to future terms upon his/her return. This provision if adopted could negate any future tuition and fees increase. At this time no students have returned to school, so this provision has not been implemented and specific information is not available. However, the enactment of H.R. 821 might preclude this or other tuition credit initiatives on the part of states or individual schools. Another concern that NAVPA has is that the Bill does not take into consideration any mitigating circumstances the schools may have. Again, since I have no first hand knowledge of any school that doesn't provide tuition and fees refunds, I am merely speculating. But for instance, let's say a small specialized school with a number of veteran students is operating under a limited budget. If requiring refunds would put the school in jeopardy, we are not sure this would be in the best interest of the veteran or other students. I realize this is an extreme example, but one that is possible. Under these

conditions we in NAVPA believe that schools and states should be given some latitude, such as a tuition credit.

In Reference to H.R. 1108, NAVPA fully supports all efforts to restore education entitlements for those students who were called to active duty for the Persian Gulf War. A significant number of students from schools across the nation were called to active duty. These students interrupted their education for service to their country, and in the process lost entitlement. We are very pleased to see that these provisions would apply to all education chapters (30, 32, 35, and 106), as well as all members of the military service (active duty, Guard and Reserve members). We would also hope that these provision would apply to all individuals who served, regardless of their assignment location.

Our only concern is how these provision will be applied. Under guidelines established by the DVA, activation was considered mitigating circumstances and repayment of education benefits for the period before the last date of attendance was not required. We feel that even though benefits payments were received, the benefit entitlement should be restored. As previously mentioned, the majority of educational expenses are at the beginning of the semester. Even if full tuition refunds are given, the individual had still incurred out of pocket expenses. For that reason NAVPA believes that benefits should be restored regardless of the institution's refund policy. Only in those cases where the student was allowed to complete some or all of the courses should reinstatement be prohibited, and then only for that portion which was completed and credit awarded.

NAVPA also supports the provisions of H.R. 1108 that would automatically extend the individual's delimiting date for a period equal to their active duty service during the Persian Gulf War. Although current Department of Veterans' Affairs regulations recognize military service as justification for extension of delimiting date, we feel that

there is a need to mandate the provision. By doing so there can be little misinterpretation of what constitutes justification for an extension under these circumstances. Further, NAVPA feels very strongly that this provision should be applied to all chapters (30, 32, 35 and 106), as well as all members of the military service (active duty, Guard and Reserve members).

I thank you very much for the opportunity to testify before the House Veterans Affairs Sub-Committee for Education, Training and Employment. My colleagues and I commend the work that has been done by this committee to improve and ensure the success of Veterans Educational Assistance programs.

Columbia University in the City of New York | New York, N.Y. 10027

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TESTIMONY OF THE
COLUMBIA COLLEGE STUDENT COUNCIL
WASHINGTON STUDENT DELEGATION

TO THE

SUBCOMMITTEE ON EDUCATION,
TRAINING, AND EMPLOYMENT
-
COMMITTEE ON VETERANS AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

PRESENTED BY
JONATHAN SHAWN LANDRES
DELEGATION COORDINATOR
-
1:00 PM
WEDNESDAY, MARCH 20, 1991
334 CANNON HOUSE OFFICE BUILDING
WASHINGTON, D.C.

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Mr. Chairman, members of the Subcommittee, thank you for doing the right thing. Not only have you undertaken to compensate justly the men and women returning from the Persian Gulf, but you have also taken the time to hear from those who most understand what your efforts will accomplish -- students.

My name is Shawn Landres, and I am a member of a delegation of students from Columbia University. We have come to Washington this week on behalf of students across the country and around the globe whose futures are threatened by cutbacks in federal student aid. I would like to thank you for giving me the opportunity to speak for my classmates who have been called up. Thank you also for including my full testimony in the record.

I should like to state first of all that I am not a veteran. However, as a member of the Columbia College Student Council, I am in Washington as a representative of the undergraduates of Columbia College and of the School of General Studies, which provides undergraduate education for adults over 21. As such, I represent the many Columbia students who have been called up to active duty. More importantly, however, I am a citizen. In both capacities, I believe I have an obligation to speak out for what I believe. And I believe that we owe a great deal to those young men and women who have given of their lives for the principles of international justice which we hold dear.

Almost a half-century ago, the Government of the United States made a decision which changed higher education forever. The GI Bill of Rights opened the doors of learning to millions of returning veterans

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of World War II -- doors which previously had been bolted shut to keep out all but the upper class elite. The young soldiers who fought so bravely overseas returned home to the promise of higher education and, as a result, a brighter future.

But the GI Bill of Rights wasn't just about principles and sacrifices. It was also about economics. Better education led to better jobs. Better jobs meant higher incomes. And higher incomes yielded more tax dollars. By 1955, every penny allocated under the GI Bill of Rights program had been paid off by new federal revenues.

Now, the principles which are so important to us have once again prevailed. Once again, young men and women are returning home to the United States filled with the pride of a job well done. We share that pride with them today. And, like the leaders of just two generations ago, today's leaders know that pride alone does not suffice. Representatives like Bill Richardson of New Mexico and Sonny Montgomery of Mississippi realize that our student-veterans will need a great deal of support in the coming months to readjust to stateside life and to complete their educations.

We come to you today, Mr. Chairman, expressing our support for House Resolutions 821 and 1108 and our gratitude for leaders who can see beyond today's imperfectly balanced checkbook to make an investment which will pay itself back many times over.

I would like first to comment on HR 821, Congressman Richardson's bill. The Persian Gulf Education Equity Act provides a simple and generous system for compensating student-veterans, through loan forgiveness, tuition reimbursements, and benefits restorations. Like few other programs, it cuts through the red tape which is all too characteristic of the student aid system.

We agree with Congressman Richardson that loan forgiveness is an essential part of the compensation package, but we feel that prorating the percentage of forgiveness is unnecessarily complicated and costly. Sorting out claims, even with today's advanced technology, would cost millions of dollars. It would be far more cost effective to provide 12.5% loan forgiveness for any soldier who engaged in activities related to the Persian Gulf War, whether at home or in theater. In the short run, the government would save millions of dollars that would have been spent in determining eligibility and allocation levels.

As amended, any soldier providing evidence of deployment in the combat zone or at a non-combat support base between August 2, 1990, and the end of the conflict automatically would receive a 12.5% loan forgiveness if he or she served for any period up to and including one year. For those few serving more than one year, we recommend an additional forgiveness of 1.1% per additional month completed, not exceeding 12.5% per each additional year.

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In the long run, as studies have shown, the additional allocation of educational funding provides a large return for the national economy. But more importantly, we ask you to consider the following: every soldier gave of his or her life to the war effort; should we rank their rewards according to the length and location of their service?

Reimbursement of tuition payments lost because of military service obligations is a central concern. I am pleased to report that many colleges and universities, including Columbia, have already promised to repay tuition and fees. But not every school has done so -- and as we unfortunately know, there are schools which will not pay refunds unless they are required to do so. Furthermore, not every school which has promised refunds has articulated a specific reimbursement policy. The support of the federal government will ensure that student-veterans are able to complete their education without penalty.

We would only request that the section be amended to require schools to allow students to waive their refunds in return for the right to re-enroll at no cost for the number of semesters they missed. Otherwise, rising charges would weaken the value of the reimbursement. Although this requirement would cost the affected schools valuable dollars, we feel that such a one-time shortfall would be an appropriate contribution by the educational sector toward the reintegration effort. Schools participating in this manner would benefit in that they would be able to keep the tuition amount and any interest already earned on it.

Along with tuition reimbursement necessarily comes the restoration of all benefits which were paid to offset the burden of that tuition. This portion of HR 821 would complete the process of restoration initiated in Section 3. As we understand, these benefits are entitlements and as such, do not require specific appropriation measures to fund them. As you consider these bills, we would hope that you will be sure that these restored benefits are maintained very clearly as entitlements.

HR 1108, Congressman Montgomery's bill, also addresses the vital issue of benefits restoration, and I would like to offer our support for its provisions. We feel that it more comprehensively addresses the conditions for the restoration of educational benefits. The language in Section 2, which is repeated throughout the legislation, clearly and specifically covers virtually every scenario which might have impacted a student who was deployed.

We would like to note the minor differences in the two bills with regard to the definition of the end of the Persian Gulf conflict. While the provisions of HR 821 are limited by an Executive order, those of HR 1108 provide for a date "prescribed by Presidential proclamation or by law." We prefer the language of HR 1108 because it allows the duration of the provisions to be controlled by Congress, not simply by the President. We recall that while a Presidential proclamation set the end of the Vietnam era in May, 1975, Congress extended that date by nearly

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20 months to December 31, 1976, in order to benefit Vietnam-era veterans. Because the possibility of a similar discrepancy exists now, we would request that Congress maintain final authority over any limitations on the implementation of any veterans' benefits legislation.

Finally, we would like to express our support for the provision in HR 821 requiring a report from the Secretary of Veterans Affairs regarding the payment of educational benefits. We would like to request a similar provision in HR 1108, and we would also like to include provisions for the Secretary of Education to report after one year on the implementation of Sections 2 and 3 of HR 821.

In closing, I would like to express my hope that this process is only the beginning of a renewed Congressional commitment to rewarding service to country in all walks of life. As you have said, Mr. Chairman, we must develop a GI Bill for "civilian public service" as well as military service, so that all those who work tirelessly at great sacrifice and little recompense might receive the credit they deserve.

I would like once again to thank Congressmen Montgomery and Richardson for their leadership and for their commitment to our generation. Thanks are due as well to you, Mr. Chairman, and members of the Subcommittee, for giving students the opportunity to address these vital questions. Through your support of bills like the ones before you and through your inclusion of students in the deliberating process, you have demonstrated your vision and your willingness to work together with students to build a brighter future. For when we work together, anything is possible.

# # #

TESTIMONY
presented to
the Subcommittee on Education, Training and Employment
of the House Committee on Veterans' Affairs

March 28, 1991

Cassius Peters
Student, Bronx Community College
Chair, Veterans Caucus of
the United States Student Association

Mr. Chairman and Members of the Commmittee, it is an honor to appear before you today. My name is Cassius Peters, and I am a student at Bronx Commmunity College, where I am active in veterans issues throughout the City University of New York system. I am also chair of the Veterans Caucus of the United States Student Association. USSA is the country's oldest and largest national student organization, representing more than 4 million students.

Before I comment on the particulars of H.R. 821 and H.R. 1198, I would like to share some of my personal thoughts on the need to provide adequate education benefits to our veterans. I early enlisted for the Navy in 1983. Like many other veterans, I enlisted because I needed the financial assistance for college, and wanted the chance to be exposed to some new situations and places. And in 1986 I found myself in the Mediterranean during the conflict with Libya. I was released from active duty in September 1988, and was enrolled in Bronx Community College three months later.

Yet, despite the military's promises of education benefits, I am finding it harder and harder to afford college. The maximum benefits given me under the Veterans Education Assistance Program total $8,100 - which isn't a whole lot when you consider that the average costs of attendance is $3,497 at a two-year public school and $11,714 at a private four-year school for just ONE year.

Hence, I and USSA strongly support the provisions in H.R. 821 and H.R. 1198 that will help veterans in their quest for education. And we commend Representatives Richardson and Montgomery for introducing them.

First, many of the military reservists who were called to duty in the Persian Gulf found their educations disrupted, and their benefits shortchanged. H.R. 821 would grant partial Perkins Loans forgiveness to military reservists who served in the Gulf. Right now such loan forgiveness is only available to those who serve for at least a year. Under this bill, a percent of a student's Perkins loan shall be cancelled in a prorated fashion if he or she has served for less than a year. It only seems fair that students who have no control over how long they will serve in combat receive benefits proportionate to their peers who serve for a year or more.

Second, those reservists called to duty who were enrolled in college at the time certainly could not complete that semester nor receive the credits. They should not be expected to pay for an entire semester's tuition and fees. So we appreciate the intent of H.R. 821 to ensure that these students are reimbursed by their institutions for the full amount of tuition and fees. However, in recognition of the large numbers of institutions who are voluntarily doing just that - more than 600 according to the American Council on Education - and the difficulties of mandating this of every school from a fiscal and logistical standpoint, USSA is recommending that this Committee and Congress consider providing reimbursement funds to these students as part of the Supplemental 1991 Desert Shield and Desert Storm appropriations bill. Just as

Congress is taking the lead in providing for the needs of veterans - with over 1•• bills introduced this session - it could really help ensure that funding is available to reimburse these students who should not have to pay for the classes they could not attend in full.

Third, we appreciate the restoration of education benefits provided to Selected Reservists in H.R. 821 and to active duty persons as well in H.R. 11•8. As I said, with the rising costs of college, these educational benefits are becoming more and more precious! And the Persian Gulf conflict meant that many students who are either Selected Reservists or Active Duty members had to discontinue their classes. These incomplete hours in the classroom should not count as part of their education entitlement. We are happy that the Committee is considering restoring these educational benefits so that precious college assistance is not lost to those students who have served our country.

H.R. 11•8 would also change the law so that the ten year period during which Selected Reservists must use their Chapter 1•6 entitlements would not include time spent on active duty in the Persian Gulf crisis. Again, this is a just and fair treatment of those who served our country.

In conclusion, let me reiterate how important these steps are to ensuring that veterans educational benefits are used to their fullest potential. In my case, I am about to use about all of my VEAP benefits; in order to stay in college as a full-time student, I have been forced to supplement my Pell Grant and state need-based grant with a 3•-hour-a-week job. It has been difficult working this many hours, going to school full-time, and being active in student and veterans issues. Graduate school will be hard to finance, and will require me to take out a substantial loan. So I know that my peers who were called to active duty in the Gulf need all the financial assistance that their military service can give them. Classes not finished should not count as classes taken.

Fortunately, legislation such as H.R. 821 and H.R. 11•8 will help ensure that students who have served their country will in turn get the kind of education they want and that our nation needs. We commend your for your interest. Thank you.

STATEMENT OF

ROBERT D. MANHAN, SPECIAL ASSISTANT
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

**H.R. 821 AND H.R. 1108**

BILLS TO RESTORE CERTAIN EDUCATIONAL BENEFITS FOR INDIVIDUALS WHO WERE UNABLE TO PURSUE STUDIES BECAUSE OF MILITARY DUTIES AS PART OF OPERATION DESERT SHIELD OR OPERATION DESERT STORM

WASHINGTON, D. C. MARCH 20, 1991

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

Thank you for the opportunity to appear before this distinguished body this afternoon to present the views of the Veterans of Foreign Wars of the United States with respect to proposed legislation to ensure that all categories of military personnel who participated in the Persian Gulf War would not lose any educational entitlements regardless of the source of federal funding. The 2.9 million members of the VFW and its Ladies Auxiliary fully appreciate the work and effort this important subcommittee has expended by holding this hearing, and we share your concerns.

The VFW strongly supports the philosophy expressed in both bills. We believe the servicemen and servicewomen who participated in the Persian Gulf War deserve immediate reinstatement and ready access to whatever educational programs they were pursuing, using any and all federal assistance before their academic life was disrupted by war.

Bill H.R. 821 was introduced on February 5, 1991, by Mr. Richardson and was referred jointly to the Committees on Education and Labor, Armed Services, and Veterans' Affairs. This bill deals exclusively with problems the military reservists will now face because their education was disrupted by being called to active duty during the Persian Gulf War. H.R. 821 has three major components: partial student loan forgiveness, tuition reimbursement, and restoration of GI bill education benefits.

Under present law those who serve at least one year in a combat zone are entitled to have their Perkins loans reduced by 12.5 percent. However, those who serve less than a full year do not receive any loan cancellation. This bill proposes to incorporate a 12.5 percent pro-rata system of loan cancellation for service in the combat zone for less than one year. In our judgment this is a proper and equitable course of action.

In order to further restore a student reservist's financial standing, this bill mandates that the reservist's school reimburse tuition for the incomplete semester. The VFW recognizes the fact that all educational institutions have built-in costs and it would appear unjust to ask a college or university to absorb the dollar loss that would result from this proposed legislation. However, we also believe it would be morally wrong to have the student reservist lose tuition and fees for classes he could not attend because of the Persian Gulf War. Accordingly, we suggest congress and the administration consider funding this type of tuition reimbursement. Perhaps this would be done as part of the Supplemental 1991 Desert Shield/Desert Storm Appropriation Bill.

The third, and last, element deals with those reservists who were participating in any one of the several educational programs, commonly referred to as the "G.I. Bill" administered by Department of Veterans

Affairs. Currently student reservists receive benefits worth $140 per month for up to 36 months in order to help defray the costs of their education. These students who were called to active duty before the end of an academic semester not only lost credit for that semester, but they also lost that number of months of benefits. Under this bill, students returning from active duty would be considered as not having used their monthly entitlement during the semester in which they were called to duty. In other words, the monthly educational benefits used during the unfinished semester would be fully restored.

Bill H.R. 1108 was introduced on February 25, 1991, by Mr. Montgomery and was originally cosponsored by Mr. Penny, Mr. Smith of New Jersey, Mr. Stump, Mr. Edwards of California, and Mr. Nagle. This bill was referred jointly to the Committees on Armed Services and Veterans' Affairs.

The overall purpose of H.R. 1108 is to amend titles 10 and 38, United States Code, to restore certain educational benefits of individuals serving as part of Operation Desert Shield or Operation Desert Storm.

The VFW interprets the overall thrust of this bill to do the following two things: restore veterans' educational assistance and extend the delimiting date for educational entitlements.

We understand bill H.R. 1108 will restore the educational assistance both within the Department of Veterans' Affairs educational programs outlined in Chapters 30, 32, and 35 of title 38, and also, the Armed Forces educational assistance for enlisted members of the Selected Reserve, as outlined in Chapter 106 of title 10.

Specifically, selected reservists who had to drop out of school because of activation in connection with the Persian Gulf War and, as a result, failed to receive credit for that period of study, would not have that time charged against their entitlement.

Other affected personnel would be the active duty servicemembers who had to withdraw from school because of duties associated with the Persian Gulf War and, as a result, failed to receive credit for that period of study. They, too, would not have that time charged against their entitlement.

The issue of extending the delimiting date affects only members of the Selective Reserve. H.R. 1108 would change the present law by stating that any period of active duty served in connection with the Persian Gulf War by Selected Reservists eligible for Chapter 106 entitlements will not be considered to be part of the ten-year delimiting date which begins on the date Selected Reservists become eligible for Chapter 106.

In addition, any period of active duty served in connection with the Persian Gulf War by Selected Reservists eligible for Chapter 106 entitlements will not be used as a reason to separate the reservist from the Selected Reserve which would then result in termination of eligibility for Chapter 106 assistance.

In summary, the VFW recognizes the fact that bill H.R. 1108, is a very complex, but necessary, piece of proposed legislation. The overall thrust is to ensure that no one who served in our country's Armed forces beginning on August 2, 1990, and ending on the date to be prescribed by Presidental proclamation or by law, loses an educational entitlement because of circumstances and situations unforeseen when these original laws were drafted. This bill appears both proper and equitable in all the actions proposed. The VFW supports the bill and encourages the subcommittee to report it to the full Veterans' Affairs Committee as soon as possible. We believe this action will preclude any delays or inconviences these affected veterans would otherwise face regarding their educational entitlements when they return.

Mr. Chairman and members of the Subcommittee, this concludes my statement. I will be happy at this time to answer any questions you may have. Thank you.

STATEMENT OF

CLIFTON E. DUPREE, ASSOCIATE LEGISLATIVE DIRECTOR

PARALYZED VETERANS OF AMERICA

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

OF THE

HOUSE COMMITTEE ON VETERANS' AFFAIRS

CONCERNING

H.R. 821, "PERSIAN GULF CONFLICT EDUCATION EQUITY ACT"

H.R. 1108, A BILL TO AMEND TITLE 10, AND 38,
UNITED STATES CODE,
TO RESTORE CERTAIN EDUCATION BENEFITS
OF INDIVIDUALS SERVING AS PART OF
OPERATION DESERT SHIELD OR OPERATION DESERT STORM

MARCH 20, 1991

Mr. Chairman and Members of the Subcommittee, it is a pleasure and personal privilege to appear here today on behalf of Paralyzed Veterans of America (PVA), a Congressionally chartered veterans' service organization. PVA appreciates this opportunity to present our views concerning these proposed legislative initiatives.

I wish to begin by saying we support these legislative proposals and by conveying our gratitude for the time and effort you and committee staff have devoted to these programs.

Throughout the course of the last seven months, when critical fiscal constraints would normally cause us to go along with a business as usual attitude, you have not forgotten those young men and women who have so bravely stopped one of history's most fanatic tyrants since World War II.

Since 1944, over 20 million men and women have trained under the

various education programs administered by VA. It has been estimated that these veterans will pay up to eight times the costs of their education in federal income taxes from the added lifetime income their education made possible. We are confident that you will provide the strong leadership necessary to ensure that a high standard of program excellence is maintained by VA.

We encourage you to engage in aggressive oversight of these programs and to continue legislative initiatives such as H.R. 821 and H.R. 1108. By so doing, you will ensure that the government's investment in the education and vocational rehabilitation of our country's veterans and service personnel will remain one of the best investments ever made by the federal government.

Mr. Chairman, the legislation before us today would further define VA educational entitlements by making several appropriate amendments to Chapter 30, title 38, United States Code, and Chapter 106, title 10, United States Code. In addition, the bill addresses several features of Chapters 32 and 35 of title 38, United States Code, which would result in the improvement and standardization of several aspects of these programs.

Our returning combat veterans who are committed to enhancing their futures through formal education are the people about whom you have chosen to have this hearing today. PVA remains grateful for your concern for their well-being. Your dedication to existing programs and your willingness to address new initiatives will ensure that these and future generations of veterans and their dependents will receive the best that we, as a nation, can provide.

H.R. 821 - "Persian Gulf Conflict Education Equity Act"

The legislation before us today is intended to provide educational assistance program enhancements by the cancellation of a portion of the direct student loans of members of the Armed Forces who served

in a combat zone in connection with the Persian Gulf conflict. The bill would also require the restoration of educational benefits and tuition reimbursement for those members of the armed forces who are unable to pursue studies because of military commitments.

H.R. 1108 - To amend titles 10 and 38, United States Code

This legislative initiative proposes to amend titles 10 and 38, United States Code, to restore certain education benefits of individuals serving as part of Operation Desert Shield or Operation Desert Storm.

The initiative would restore certain education benefits of individuals eligible to receive benefits under Title 10, United States Code, Chapter 106. This program provides education assistance to persons who enlist, reenlist or extend an enlistment in the Selected Reserve for not less than six years after June 30, 1985. The program's purpose is to encourage selected reserve membership. As you know, Department of Defense and the Department of Transportation pay for the program, while VA administers it.

PVA is pleased to support this initiative which assists members of the armed forces to adjust to civilian life after their separation from military service. The bill also properly promotes and assists the All-Volunteer Force program and aids the retention of armed forces personnel. Finally, it assists young men and women in obtaining an education they might not otherwise be able to afford, and promotes and assists the all volunteer military program of the United States by attracting qualified men and women to serve in the armed forces. We would like to commend you, Mr. Chairman, and Members of the Subcommittee for your consideration of the All-Volunteer Force Educational Assistance Program, Chapter 30, and the Post-Vietnam Era Veterans under Chapter 32. PVA strongly supports these programs.

The Survivors' and Dependents' Educational Assistance Program, under Chapter 35, takes on additional significance for the members of PVA and their families.

Through this program, the dependents and spouses of a severely disabled veteran can pursue an education without depleting the family's savings or without accumulating significant debt. To care for "...their widow and their orphan" must be the objective. For the purposes of maintaining continuity and equality in the program, PVA opposes VA's legislative proposal to eliminate eligibility of stepchildren for Chapter 35 Survivor's and Dependents' Educational Assistance Act.

Over the years, providing counseling services, training and educational opportunities to the nation's veterans and disabled veterans has proven to be a beneficial program for the government, the private sector and especially for the disadvantaged individual needing assistance in education and job placement. Today, these programs are no less important and continue as one of the most significant benefits available to our returning heroes from Operation Desert Shield/Storm.

In conclusion, Mr. Chairman, PVA looks forward to working closely with the Subcommittee and staff to secure passage of legislation that would bring equity to Operation Desert Shield and Operation Desert Storm participants.

Mr. Chairman, that concludes my testimony. I will be happy to answer any question you may have.

STATEMENT OF JOHN HANSON, DIRECTOR
NATIONAL VETERANS AFFAIRS AND REHABILITATION COMMISSION
THE AMERICAN LEGION
TO THE SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
MARCH 20, 1991

Mr. Chairman and Members of the Subcommittee:

The American Legion is appreciative of this opportunity to share with you its views on legislation providing for restoration of certain educational benefits for members of the Armed Forces serving as part of Operation Desert Shield or Operation Desert Storm.

H.R. 821 - the "Persian Gulf Conflict Education Equity Act" would provide for the cancellation of a portion of the direct student loans of members of the Armed Forces who serve in a combat zone in connnection with the Persian Gulf conflict and to require the restoration of educational benefits and tuition reimbursement for those members of the Armed Forces who are unable to pursue studies because of military commitments.

Section 2 of this bill would amend section 465(a) of the Higher Education Act of 1965 (20 U.S.C. 1087ee(a)) by providing for cancellation of student loans for military service in an area designated as a combat zone under section 112(c)(2) of the Internal Revenue Code of 1986. The percent of a loan which shall be canceled under this subsection shall be prorated if that service is less than a complete year. For purposes of this subsection the term "Persian Gulf conflict" means the period beginning on August 2, 1990, and ending on the date designated by the President by Executive Order as the date of the termination of United States combatant activities in the Persian Gulf Region.

Section 3(a) would require every educational institution that offers courses of study approved for purposes of chapter 30, 32, or 35 of title 38, United States Code, or chapter 106 of title 10, United States Code, to reimburse each student who is enrolled at that institution and is a member of the Armed Forces for the entire amount of tuition and fees paid by the student to the institution with respect to any course of study that the student is unable to complete or fails because of the student's service on active duty in connection with the Persian Gulf conflict.

Section 3(b)(2) would require each educational institution considered as approved for purposes of any of the chapters referred to in subsection (a); to certify to the Secretary of Veterans Affairs, within 45 days after the date of the enactment of this Act, that it is implementing the requirement of such subsection in order to remain as an approved institution for chapters referred to in subsection (a). Further, failure to notify the Secretary of Education that it is implementing the requirement of subsection (a) within 45 days after the enactment of this Act may result in the suspension of Federal financial assistance to certain educational institutions under the Higher Education Act of 1965.

Section 4 would restore certain specified educational entitlements to members of the Armed Forces, under chapters referred to in subsection (a), if the individual is unable to complete or fails a course of study because of the person's service on active duty in connection with the Persian Gulf conflict. Not later than one year after the date of the enactment of this Act, shall the Secretary of Veterans Affairs submit a report to the Congress describing the implementation of this section.

Mr. Chairman, The American Legion supports the effort to reinstate lost educational entitlement. We believe it is a fitting tribute to the men and women of our Armed Forces, who due to military service in connection with the Persian Gulf War were unable to continue and complete certain courses of instruction at institutions of higher education. Regaining lost opportunity by restoring partially used educational entitlement is both morally and ethically proper.

H.R. 1108 would amend titles 10 and 38, United States Code, to restore certain educational benefits of individuals serving as part of Operation Desert Shield or Operation Desert Storm.

Section 1 would amend section 2133(b) of title 10, United States Code, to exclude from a service member's length of entitlement to educational assistance, any period of service on active duty in connection with the Persian Gulf War. For the purposes of this section, the term "Persian Gulf War" means the period beginning on August 2, 1990, and ending on the date thereafter prescribed by Presidental proclamation or by law.

Section 2 of the bill would amend the following sections of title 38, United States Code: section 1413 - the Chapter 30 Educational Assistance Program; section 1631 (a) - the Chapter 32 Educational Assistance Program; section 1711(a) - the Chapter 35 Educational Assistance Program; and section 213(c) of title 10, United States Code, the Selected Reserve Educational Assistance Program (Chapter 106). The amending clauses contained in section 2 of H.R. 1108 provide that any payment of an educational assistance allowance made to individuals serving in support of Operations Desert Shield or Desert Storm, who had to discontinue an educational course pursuit in connection with the Persian Gulf War, would not be charged to any entitlement under the various educational benefit programs for which they were previously receiving educational assistance payments.

Section 2 also would require the Secretary of Defense to deposit into the educational assistance fund, on behalf of each affected individual, an amount equal to the entire amount of the payment made under the various educational assistance programs.

Mr. Chairman, The American Legion is deeply appreciative of the efforts being made to restore lost educational opportunities to members of the Armed Forces, who by serving in support of the Persian Gulf War had their educational assistance program interrupted. This effort is commendable, necessary, and proper. The American Legion strongly endorses these efforts and we wish to thank this Subcommittee for holding this important hearing in such a timely and comprehensive manner.

Mr. Chairman, that concludes our statement.

Vietnam Veterans of America, Inc.
1224 M Street, NW
Washington, DC 20005-5183

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STATEMENT OF

VIETNAM VETERANS OF AMERICA

Submitted By

Paul S. Egan
Legislative Director

To The

House Veterans Affairs Subcommittee On
Education, Training and Employment

On

Restoration of Education Program
Eligibility for Personnel
Mobilized During the Persian
Gulf Crisis

March 20, 1991

Mr. Chairman and members of the Subcommittee, the Vietnam Veterans of America (VVA) appreciates this opportunity to submit its view on the two bills, HR. 821 and HR. 1108, under consideration at today's hearing. Each of these measures is designed to restore educational program benefits partially used by military personnel who were unable to complete educational course work due to the recent mobilization and deployment to the Persian Gulf. Both of these measures are well intended.

The principal difference between these bills is a matter of scope with HR. 821 going considerably, and appropriately, farther than HR. 1108. For its part, HR. 1108 appears to have been crafted in a manner respecting the jurisdictional limits of the House Veterans Affairs and Armed Services Committees. As such it only addresses the matter of restoring educational benefits in programs operated by the Department of Veterans Affairs (VA) for active duty and reserve personnel. The craftsmanship of HR. 821, on the other hand, better reflects the actual and potential problems faced by military individuals called up for duty during the Persian Gulf war and who, as a result, were unable to complete a course of instruction at an institution of higher learning.

For individuals relying on VA-operated educational assistance programs to assist in paying for courses of instruction, both bills restore eligibility as if the uncompleted course had never been taken. Unfortunately, HR. 1108 stops here. The preferable bill, HR. 821, importantly recognizes that some interrupted courses were undoubtedly being pursued with the assistance of other federal education programs apart from those operated by the VA.

The preferable of these two bills additionally recognizes that for some deployed military personnel, class instruction had been paid for in whole or part out of personal resources. To remedy each of these added problems, HR. 821 would restore eligibility for non-VA programs as well as VA programs and require educational institutions to reimburse the prepaid costs of any course unable to be completed.

Finally, HR. 821 would prohibit any non-compliant educational institution from further participation in any federal education program. As a matter of public policy, this particular provision properly recognizes the importance of sending a strong signal to the academic community that support for American forces engaged in conflict, irrespective of perceptions of defense or foreign policy wisdom, is a matter of utmost seriousness. On this topic, Vietnam veterans are uniquely qualified to speak with authority.

In this connection, the VVA suggests going one step further. Academic institutions should also be prohibited from future participation in federal education programs if any of them are found to record a failing or otherwise unfavorable grade for any course unable to be completed as a result of mobilization.

It may be somewhat problematic that HR. 821 has been jointly referred to three different committees while HR. 1108 has been jointly referred to only two. Nevertheless, HR. 821 is a more comprehensive approach to both the actual and potential needs of affected individuals. Going one step further in HR.821, as we recommend, would make a fine bill even better.

Mr. Chairman, this concludes our testimony.

NCOA

Non Commissioned Officers Association of the United States of America

225 N. Washington Street • Alexandria, Virginia 22314 • Telephone (703) 549-0311

Statement of

Richard W. Johnson
Director of Legislative Affairs

Submitted to

Subcommittee on Education, Training and Employment
Committee on Veterans Affairs
United States House of Representatives

on

Desert Shield/Desert Storm
Education Benefits Protection

March 20, 1991

*Chartered by the United States Congress*

Mr. Chairman, the Non Commissioned Officers Association of the United States of America sincerely appreciates this opportunity to comment on two bills under consideration by the committee regarding education entitlements of participants in Operations Desert Shield and Desert Storm.

The immediacy of the U.S. response to the invasion of Kuwait required many active and reserve military personnel to abandon education plans entered into without anticipation of deployment. The remarkably swift deployment of both regular and reserve forces did not allow individuals to negotiate plans for reenrollment upon return or refunds of tuition. In some cases this created a loss of veterans program entitlements and in other cases, a loss of tuition due to refund policies of the educational institutions involved.

H. R. 1108, introduced by Chairman Montgomery, and Section 4 of H. R. 821, introduced by Mr. Richardson, would create forgiveness for any benefits paid to cover a period of enrollment abandonded to service in the armed forces in support of operations Desert Storm and Desert Shield. Further the bills would restore veterans entitlements for the period under several veterans programs and reserve education program existing in current law.

The Non Commissioned Officers Association applauds these initiatives and urges the committee to enact the proposal deemed most appropriate to providing these restored benefits.

Joint Commission
On Federal Relations

March 18, 1991

The Honorable Timothy J. Penny, Chairman
Subcommittee on Education, Training and Employment
U.S. House of Representatives
335 Cannon House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for the invitation to testify on H.R. 821 and H.R. 1108. Given the brevity of our concerns, we prefer to cover our concerns by this letter, rather than speak at the hearing.

From the very outset of the Gulf deployment, the major organizations representing higher education joined hands in asking member institutions to bend over backwards in assuring the continuity of educational benefits for any servicepersons called to active duty. The response of the institutions has been entirely admirable.

In November, the attached appeal was sent to the presidents of all non-profit collegiate institutions by the six associations shown. I hope you will make the November 8 letter part of your hearing record. Nearly 700 colleges and universities responded affirmatively in writing. To the best of our knowledge, every institution that had students called to active duty, from either the reserve or regular military, took policy action to protect their academic standing and benefits.

While we can appreciate the concern that led to the introduction of H.R. 821, we do not consider it necessary legislation. A more suitable approach might be a "sense of the Congress" resolution addressing the same concern.

H.R. 821 amounts to another federal intervention into institutional control of student policy. The vitality of higher education is being increasingly sapped by excessive reporting requirements from Washington, at a time when such vitality is more important than ever to the nation's ability to compete internationally.

More acceptable to our community is language of S. 335, by which a college or university (Sec.3(a)(6))"provides substantial tuition refunds or credits, to members of the Armed Forces of the United States serving in connection with Operation Desert Storm for the period of instruction which such individuals were unable to complete as a result of being called into active duty in connection

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with Operation Desert Storm, that shall be used within 1 year after such individual's discharge or release from active duty."

Between H.R. 1175 and H.R. 1108, we conclude that the educational interests of students who served in the Persian Gulf War will be amply protected. Our Associations are actively supporting the House provisions in the House-Senate conference on H.R. 1175 and S. 335.

Thank you again for your interest in our views.

Sincerely,

Frank

Frank Mensel
Vice President for Federal Relations, AACJC
Director of Federal Relations, ACCT

FM:egd

Enclosure

cc: Representative G. V. Montgomery
Joint Commission
Charles Saunders/ACE

AACJC
AASCU
AAU
ACE
NAICU
NASULGC

November 8, 1990

**Re: Tuition refunds or credits for students called to active military service**

Dear Colleague:

We write to request and recommend your assistance in an area that is likely to be the subject of new federal legal requirements unless the higher education community takes voluntary action.

As you know, among the military reservists called to active duty in relation to the current situation in the Middle East are a substantial number of college and university students enrolled at institutions throughout the country. Although federal laws in effect for many years impose obligations on employers and creditors with respect to employees and debtors in active military service, to date these laws have not been extended to colleges and universities regarding students in military service. We believe that the men and women who were studying at our member institutions when called to serve under difficult conditions in Saudi Arabia, the Persian Gulf, and elsewhere in the Middle East should be voluntarily afforded consideration to the extent feasible. Tuition refunds or credits in this context are appropriate, in our judgment.

Shortly after the recent call-up of reservists began, senior Defense Department officials contacted representatives of the higher education community in Washington. A meeting was held at the Pentagon. The Defense Department officials stated that members of the relevant committees of Congress were inclined to enact legislation to compel colleges and universities to refund, or credit against future enrollment, amounts paid by students called to active duty. The Defense Department asked whether higher education institutions instead would voluntarily adopt the policy of granting tuition refunds or credits in these cases. The Defense Department has indicated to Congress that the Department is working with us in an effort to achieve the voluntary adoption of such policies by the end of 1990.

We believe that the voluntary adoption by each higher education institution of a policy -- expressed in terms responsive to the institution's and its students' particular circumstances -- that permits tuition refunds or credits for enrolled students called to active duty is preferable to a federal legal mandate. Federal law if enacted is not likely to take into account the many variations among schools with respect to tuition practices. We also believe that the public interest is served by such policies, which already are in effect at many institutions.

So that we can assure the Defense Department and members of Congress that the higher education community is responding to their concerns, we would appreciate your informing us whether your institution has adopted or plans to adopt such a policy, on either a formal or informal basis. Please send a note to that effect, and if possible a copy of any formal policy, if one is adopted or in effect, to Sheldon E. Steinbach, Vice President and General Counsel, American Council on Education, One Dupont Circle, Washington, DC 20036.

Thank you for your assistance in advancing this objective at your institution.

Sincerely,

Robert H. Atwell
President
American Council on Education

Robert L. Clodius
President
National Association of State Universities and Land-Grant Colleges

Allan W. Ostar
President
American Association of State Colleges and Universities

Dale Parnell
President
American Association of Community and Junior Colleges

Robert M. Rosenzweig
President
Association of American Universities

Richard F. Rosser
President
National Association of Independent Colleges and Universities

Columbia University in the City of New York | *New York, N.Y. 10027*

OFFICE OF STUDENT ACTIVITIES

206 Ferris Booth Hall
212-854-3811

Shawn Landres
Columbia College Student Council

The Honorable Timothy J. Penny, Chairman
Committee on Veterans Affairs
Subcommittee on Education, Training, and Employment
335 Cannon House Office Building
Washington, D.C. 20515

April 22, 1991

Dear Mr. Chairman,

As per your request, I am responding to the questions which we received as a follow-up to the Subcommittee hearing of March 20.

Thank you again for your letter of April 1. Sarah Wolman and I consider it a great honor to have testified before you, and we look forward to assisting you and the other members of the Subcommittee in any way we can.

Sincerely,

Shawn Landres
Columbia College Student Council

enclosure

## WRITTEN COMMITTEE QUESTIONS AND THEIR RESPONSE

**Response to Followup Questions**
**From Hearing of March 20, 1991**

*Question 1: What are your school's specific policies on tuition reimbursement, tuition credit, and course credit for individuals forced to disenroll as a result of military commitments?*

Please refer to the enclosed information, which was provided by Mr. Mark Olson, Deputy Vice President for Student Financial and Information Services, Columbia University.

*Question 2: What additional options should educational institutions provide veteran-students, under the above-mentioned circumstances, in addition to tuition reimbursements?*

We would recommend that schools choose from among the following sets of options, with at least one option from each group:

I. A complete tuition refund with interest.

II. The right to return at no cost for the number of semesters missed.

III. Academic credit at no cost.
   a. Partial or full credit points based on the number of hours completed.
   b. Private/group tutoring leading to accelerated credit.
   c. Intensive/accelerated courses during spring/summer/winter vacations.

IV. Conferral of degrees upon those students who otherwise would need to complete no more than the equivalent of one class in order to qualify for graduation.

As we mentioned during the hearing, we believe that receiving course credit is not necessarily synonymous with gaining knowledge. At no time should schools have the option to assign veteran-students course credit without giving them the education they deserve. However, principles of academic freedom would necessitate granting schools limited leeway in determining whether a particular student should take advantage of option II, III, or IV; full tuition refunds should be a choice available to all students. Schools should finance for themselves any additional spending required to implement these options. Federal assistance should be provided only for those schools whose efforts would lead them into insurmountable financial insolvency.

Columbia University in the City of New York | *New York, N.Y. 10027*

Student Financial and Information Services

April 22, 1991

The Honorable Timothy J. Penny, Chairman
House Veterans Affairs Committee
Subcommittee on Education, Training and Employment
335 Cannon H.O.B.
Washington, DC 20515

Dear Mr. Chairman,

Shawn Landres asked me to forward the attached document to you. The "Position Statement: MIlitary Service Withdrawal" details Columbia University's policy for dealing with our students who have to leave school for military service. Shawn asked that I provide this document in response to your written question regarding forced disenrollment for military commitments. The policy has been in effect at Columbia for several decades.

Should you or any of the committee members have any questions about our policy or its implementation, please do not hesitate to contact me.

Thank you.

Sincerely,

Mark A. Olson
Deputy Vice President

Columbia University in the City of New York | *New York, N.Y. 10027*

Student Financial and Information Services

**STUDENT FINANCIAL AND INFORMATION SERVICES**

**Position Statement: Military Service Withdrawal**

Students called to military service after classes have begun must often make serious decisions on short notice and under considerable pressure. Columbia University recognizes the special problems and needs of such students, and is committed to helping them complete academic and financial arrangements quickly. The place to seek advice and begin the withdrawal process is always the Dean of Students office at your school. Once you have worked out arrangements with your dean, the office of Student Financial and Information Services can provide a number of helpful services, including the following:

*The Office of Academic Records and Registration, located in Kent and Philosophy Halls, will process your withdrawal, program change or grade change once these have been approved by your dean. Our Information Center (205 Kent Hall, 854-3247) staff will be happy to discuss any questions or concerns you have about your withdrawal; in addition, we'll put your name on a mailing list to keep you posted of important University news during your absence.

*The Office of Bursar Services, located in 210 Kent Hall, (854-2786) will make sure you obtain any refund to which you are entitled (refunds are calculated from the date of withdrawal or program change; consult your school bulletin for complete details).

*The Office of Student Financial Services, located in 409 Low Library (854-4206) can answer questions about how withdrawal or change of program will affect your financial aid. This office will also help you plan the financing of your education once you return to Columbia.

If you are called to military service and must interrupt your studies at Columbia, follow these important steps:

1. If you are called before the start of a term, apply for a <u>leave of absence</u> through the Dean of Students at your school. If you need to defer loan repayments, consult your Financial Aid office as well.

2. If you are called after classes have begun, apply for a <u>withdrawal</u> through the Dean of Students at your school.

3. You may withdraw entirely for a term, with the possibility of a partial or full refund as determined by the policies outlined in your school bulletin. Depending on your school you may be given a leave of absence for the term as well as a withdrawal.

4. Instead of withdrawing, you may drop one or more - but not all of - your courses by filing a change of program approved by your dean. The University's refund policy for dropping courses (outlined in your school bulletin) will apply to you.

5. You may arrange for grades of "IN" (incomplete) or "AB" "absent" to be entered on your transcript, with the permission of your dean and faculty. In this case you will not need to re-register for these courses when you return to Columbia. But you will be expected to satisfy whatever academic requirements you have arranged with your dean and professors by the date they have established for you. Keep in mind that if you elect to receive grades - even grades of "AB" or "IN" - you will not be eligible for a tuition refund.

If you arrange to have "IN" or "AB" recorded on your transcript, you should be aware that most schools view these as temporary grades and have specific time limits, stated in school bulletins, for fulfilling requirements. If these time limits are exceeded, grades of "IN" and "AB" may be changed to either "R" (Registration Credit) or "F". If your agreement to fulfill requirements exceeds your school's time limit, speak with your dean so that special arrangements can be made with the Office of Academic Records and Registration to appropriately record your grades.

Please note: Once you arrange to have grades of "IN" or "AB" entered on your transcript, you may not request any retroactive change of grade or withdrawal.

REMEMBER

* If you're called to military service talk to your dean before acting

AND

* Since withdrawal or change of program may affect your eligibility for financial aid or loan deferments, talk to your school's financial aid office or the Office of Student Financial Services.

THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

MAY 7 1991

The Honorable G. V. (Sonny) Montgomery
Chairman, Committee on Veterans Affairs
House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

This responds to your request for the Department of Veterans Affairs to reply to the questions submitted by Representative Timothy J. Penny pertaining to the Subcommittee on Education, Training and Employment hearing on March 20, 1991. We are pleased to furnish the Committee with our answers concerning education benefits for individuals affected by Desert Shield/Desert Storm.

The Committee's continued interest in our educational assistance programs is appreciated.

Sincerely yours,

Edward J. Derwinski

Enclosure

EJD:md

Hearing Of March 20, 1991

Questions from Representative Timothy J. Penny

Question 1. In your testimony you noted that many schools have offered members of the uniformed services who were forced to disenroll from school because of the Persian Gulf War certain options such as early exams and tuition refunds.

Question a). Has the Department of Veterans Affairs (DVA) done any surveys of schools to determine how, in general, this situation is being dealt with?

Answer a). The Department of Veterans Affairs has not initiated a survey of schools to determine their policies concerning veteran-students who were required to disenroll during Operation Desert Shield/Storm. We did learn, through our regional office personnel, of the practices and policies some schools implemented to ameliorate the disenrollment problems students had experienced during the Persian Gulf crisis.

Question b). Do you have any information regarding the number of veteran-students affected by Desert Shield/Desert Storm?

Answer b). We are 20,000 trainees below our projection for the chapter 106 program. Lesser reductions occurred in the other programs. We do not have specific information on the number of individuals who terminated their training due to Desert Shield/Desert Storm.

Question 2. For the record, would you explain the policies and procedures adopted by the DVA last year regarding extenuating circumstances and other overpayment issues which arose as a result of the war mobilization?

For example, what documentation, if any, are you requiring to demonstrate that an individual's withdrawal from school was related to military commitments?

Answer 2. When we learned that eligible students were terminating their training due to participation in Operation Desert Shield we issued a reminder to our field stations that unanticipated military service was acceptable mitigating circumstances. We also advised stations that any indication that an eligible student had terminated training due to participation in Operation Desert Shield would be accepted and that copies of orders, etc. would not be required. Information provided by the school, the student or his family was acceptable.

Question 3. We've received correspondence from the families of a few activated Selected Reservists telling us their veteran-students received overpayment collection letters associated with their war-related school withdrawal -- and this while the student was still in the Gulf. Any idea how this could have happened?

Answer 3. In some cases, trainees were paid benefits for a period of time for which they were not in training due to participation in Operation Desert Storm. In these cases, benefit payments were terminated as of the student's last date of attendance as reported by the school. Notwitstanding the merit of the situation, the law contains no provision for automatic waiver of education debts. For due process purposes, it is required that a notification of the creation of the overpayment be sent to the student.

In January we notified our field stations that collection action was to be suspended for the duration of the conflict in any case in which the individual terminated training due to participation in Operation Desert Storm. Thereafter collection letters were suppressed whenever our regional offices were able to detect that the student had terminated training due to participation in Operation Desert Storm.

In most cases, attempts to suppress collection letters have been successful, however, we have learned of a few instances of collection letters being erroneously issued.

To: U.S. House of Representative
(Committee on Veterans Affairs, Education, Training and Employment)

From: U.S.S.A. Veterans Caucus Chair (Cassius Peters)

Re: Bronx Community College/CUNY special Provisions for Students in the Military

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According to the Board of Trustees policies on the treatment of the students who leave CUNY to fulfill military obligations. These policies establish the following rules.

I. Students called up to the reserves or drafted before the end of the semester.

A. Grades. In order to obtain a grade, a student must attend 13 weeks (five weeks for summer session).

B. Refunds. A student called up to the reserves or drafted who does not attend for a sufficient time to qualify for a grade, is entitled to a 100% refund of tuition and all other fees except application fees.

II. Students who volunteer (enlist) for the military.

A. Grades. Same provision as for students called up to the reserves. In order to obtain a grade, a student must attend 13 weeks (five weeks for summer session).

B. Refunds. The amount of the refund depends upon whether the withdrawal is before the 5th week of classes.

1. Withdrawal before beginning of the 5th calendar week (3rd calendar week for summer session): 100% refund of tuition and all other fees except application fees.

2. Withdrawal thereafter: 50% refund.

The above provisions are contained in a Board policy last amended on May 25, 1970, Cal. No. 11, which may still be administered consistent with the CUNY tuition and Fee Manual ("Fee Manual") adopted by the Board on June 25, 1990, Cal. No. 4. The Fee Manual states, in pertinent part, that students are entitled to a "reduction of their tuition liability" because of:

> Withdrawal due to formal notification of military obligation during the semester that a refund is requested, providing that the student does not qualify to receive an earned grade. (Fee Manual, p. 5)

Although the 1970 Board policy, which provides 100% refunds regardless of time of withdrawal, refers specifically to students who are drafted, I believe it may appropriately be applied to students called up to the reserves because such service is similarly involuntary in nature.

III. Other Provisions for Military Service:

A. Resident Tuition Rates. These lower rates are applicable to all members of the armed services, their spouses and their dependent children pursuant to a Board policy adopted June 29, 1987, Cal. No. 42.

B. Re-enrollment of Veterans. Veterans who are returning students are given preferred treatment pursuant to a Board policy of April 21, 1952, Cal. No. 13, in the following ways:

> 1. Veterans who were former students with unsatisfactory scholastic records, may be readmitted with a probationary program.
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> 2. Veterans may register even after normal registration periods, without late fees.
>
> 3. Granting of college credit for military service and armed forces instructional courses.
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> 4. Veterans returning too late to register may audit classes without charge.

C. Late Admissions. Veterans with no previous college experience are permitted to file applications up to the date of registration, and are allowed to begin classes pending completion of their application and provision of supporting documents pursuant to a Board policy adopted January 27, 1975, Cal. No. 2.B.

D. Veterans Tuition Referrals. Veterans are entitled to defer the payment of tuition pending receipt of veterans' benefits pursuant to Education Law Section 6223 and Fee Manual.

Casimir M. Peter